

# OVERSTRAND MUNICIPALITY



## BUDGET REPORT 2018/2019

2018/19 TO 2020/21  
MEDIUM TERM REVENUE AND EXPENDITURE  
FORECASTS

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## Abbreviations and Acronyms

ACIP	Accelerated Community Infrastructure Programme	mSCOA	Municipal Standard Chart of Accounts
BSC	Budget Steering Committee	MEC	Member of the Executive Committee
CAPEX	Capital Budget/Expenditure	MFMA	Municipal Finance Management Act
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
CSD	Central Supplier Database	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator of South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental organisations
EM	Executive Mayor	NKPIs	National Key Performance Indicators
FBS	Free basic services	NT	National Treasury
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross domestic product	OP	Operational Plan
GFS	Government Financial Statistics	OPEX	Operating Budget/Expenditure
GRAP	General Recognised Accounting Practice	OMAF	Overstrand Municipal Advisory Forum
HR	Human Resources	PBO	Public Benefit Organisations
IDP	Integrated Development Plan	PMS	Performance Management System
ICT	Information & Communication Technology	PPE	Property Plant and Equipment
kℓ	kilolitre	PPP	Public Private Partnership
km	kilometre	PT	Provincial Treasury
KPA	Key Performance Area	RG	Restructuring Grant
KPI	Key Performance Indicator	SALGA	South African Local Government Association
kWh	kilowatt	SDBIP	Service Delivery & Budget Implementation Plan
ℓ	litre	SMME	Small Micro and Medium Enterprises
LED	Local Economic Development	WCPT	Western Cape Provincial Treasury



## Part 1 – Annual Budget

### 1.1 Mayor's Report

The Executive Mayor delivers his Budget speech with the tabling of the final budget for approval. A copy of the speech will be included thereafter.

The first review of the current new generation 5 year IDP and draft SDBIP will also be tabled during the Council meeting.

### 1.2 Council Resolution

The following is the resolution that will be considered for the approval and adoption of the annual budget for 2018/2019:

#### RECOMMENDATION TO THE COUNCIL:

1. that in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) the annual budget of the Overstrand Municipality for the 2018/19 to 2020/21 MTREF (Medium Term Revenue and Expenditure Framework) period **be approved** as set out in the following schedules:

- Schedule 1:** Budgeted financial performance (revenue & expenditure by municipal vote)
- Schedule 2:** Budgeted financial performance (revenue by source & expenditure by type)
- Schedule 3:** Budgeted single & multi-year capital appropriations by functional classification (vote) and associated funding by source
- Schedule 4:** Budgeted financial position
- Schedule 5:** Budgeted cash flow
- Schedule 6:** Cash backed reserves and accumulated surplus reconciliation
- Schedule 7:** Asset management
- Schedule 8:** Basic service delivery measurement

2. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) the property rates reflected in **Annexure A, be imposed** for the budget year 2018/19;
3. that in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tariffs and charges reflected in **Annexure A, be approved** for the budget year 2018/19;
4. that the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the 1<sup>st</sup> draw down of the proposed three year borrowing programme for external loans amounting to R54 million per year;
5. that the following schedules be noted:

- Schedule 9:** Budgeted financial performance (rev & exp by functional classification)
- Schedule 10:** Budgeted capital appropriations by municipal vote

6. that **cognisance be taken** of the letters of comment received from the community and the LG MTEC 3 Assessment Report by Provincial Treasury and the Provincial Department of Local Government, included in Annexure J & K respectively of the budget report; and
7. that **cognisance be taken** of the 2018/2019 Budget Report.



### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditure with regards to cost containment measures, non-core and 'nice to have' items.

The Municipality has undertaken various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. Encouragement of structured community participation in the matters of the municipality is a strategic objective.

The publishing of the Municipal Regulations on the Standard chart of Accounts (mSCOA) on 22 April 2014 has a profound effect on the business of local government. This reform is not limited to a financial reform, but a business reform as a whole. It is the largest reform since the promulgation of the Municipal Finance Management Act in 2003. The mSCOA regulations took effect on 1 July 2017 and therefore this budget has been compiled to adhere to the regulations.

The following are extracts from the preamble to the regulations:

*"Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards." "These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities."*

The regulations contain amongst others, segment and classification framework for mSCOA, minimum business process and system requirements and responsibilities of municipal councils and accounting officers.

The segments classification consists of the following:

**Funding segment** – This segment relates to the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending.

**Function segment** - This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government.

**Municipal Functional classification Segment** - This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed.

**Project Segment** - This segment provides for the classification of capital and operating projects on the basis of whether it relates to a specific project and if so, the type of project.

**Regional Indicator Segment** - This segment identifies and assigns government expenditure to the lowest relevant geographical region within which the intended beneficiaries of the service or capital investment are located.



*Item Segment* - This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

*Costing Segment* - This segment provides for a classification structure for secondary cost elements with reference to departmental charges, internal billing etc. and acts as a cost collector in determining inter alia total cost of services.

Overstrand municipality was identified as one of the official national pilot sites to early implement mSCOA and to pilot the Bytes SAMRAS system. This was first implemented for the 2015/2016 financial year and continued in 2016/17. The piloting stage ended 30 June 2017. A report regarding the status of implementation of mSCOA can be found in Annexure I of the budget documentation.

National Treasury issued MFMA Budget Circulars No. 89 & 91 for guidance for the compilation of the 2018/19 MTREF. A revised A Schedule – mSCOA Version 6.2 (Municipal annual budgets and MTREF & supporting tables) (28 March 2018) was also issued.

MFMA Circular No. 82 (updated November 2016) relating to direction and guidance regarding Cost Containment Measures was issued. National Treasury has since published Draft Regulations on Cost Containment Measures and the closing date for comments was 30 March 2018. The circular and draft regulations as well as the status relating to cost containment measures are included in Annexure H to this report.

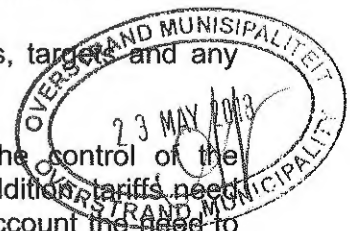
The Western Cape Provincial Treasury has issued Circular No. 13 of 2018 regarding budget related matters and the proposed LG MTEC Budget & IDP engagements.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Ever aging water, roads, sewage and electricity infrastructure;
- Sustainable refuse disposal;
- The need to reprioritise projects and expenditure within the existing resource envelope;
- The cost of bulk electricity;
- Revenue recovery from cost reflective core municipal services;
- Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;
- Affordability of capital projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2018/19 MTREF process; and
- Maintaining a positive cash flow.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- The 2017/2018 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Budget Circulars informed the upper limits for the new baselines for the 2018/19 annual budget;
- Service level standards were used to inform the measurable objectives, targets and any backlog eradication goals;
- Tariffs and property rates increases should aim to be affordable;
- Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of fuel, chemicals and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;



- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following cost saving measures were applied:
  - The principle of a 0% increase in non-core general expenses unless valid motivations such as contractual inflation adjustments dictate.
  - Cost containment measures referred to in Circular 82 of 30 March 2016 (updated in November 2016) are reported in Annexure H (Budget Circulars)

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2018/19 MTREF**

**(a) Total Revenue (including capital grants)**

R thousand	Budget Year 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21			
Revenue	1 121 081	1 142 196	1 230 699	1 289 193		1.9%	7.7%
Expenditure	1 052 197	1 134 245	1 229 047	1 258 428		7.8%	8.4%
Surplus / (Deficit)	68 885	7 951	1 653	30 765			2.4%
Capital	116 620	194 237	134 030	137 249		66.6%	-31.0%
						2.4%	

**(b) Total Revenue (excluding capital grants)**

R thousand	Budget Year 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21			
Revenue	1 047 640	1 080 228	1 172 169	1 225 944		3.1%	8.5%
Expenditure	1 052 197	1 134 245	1 229 047	1 258 428		7.8%	8.4%
Surplus / (Deficit)	(4 556)	(54 017)	(56 877)	(32 484)			2.4%
Capital	116 620	194 237	134 030	137 249		66.6%	-31.0%
						2.4%	

Total revenue (including capital grants) to expenditure (Table 1a) indicates a surplus for each of the years over the 2018/19 MTREF.

Total operating revenue (Table 1a) indicates an increase in revenue of 1,9 per cent for the 2018/19 financial year when compared to the 2017/2018 Adjustments Budget. For the two outer years, operational revenue will increase by 7,7 and 4,8 per cent respectively. Fluctuations of revenue in Table 1(a) are informed mainly by the allocation of the Housing grant between operating (top structures) and capital (infrastructure) in the respective financial years.

Total operating expenditure for the 2018/19 financial year has been appropriated at R1,134bn and translates into a budgeted deficit of R54m (excluding capital grants) and a surplus of R8m (including capital grants). When compared to the 2017/2018 Adjustments Budget, operating expenditure has increased by 7,8 per cent in the 2018/19 budget and increases by 8,4 and 2,4 per cent for each of the respective outer years of the MTREF. The lower increase for 2020/21 is attributable to the allocation of the Housing grant between operating (top structures) and capital (infrastructure) in the respective financial years.

It should be noted that although the 2018/2019 operational budget and indicative years indicate budgeted deficits (Table 1b), this does not reflect the actual cash position. This phenomenon will continue for the foreseeable future. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R5,7 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as



well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.

The capital budget of R194,2m for 2018/19 is 66,6 per cent more when compared to the 2017/2018 Adjustments Budget. The increase is mainly due to additional projects amounting to R16,6m, considered by the BSC after the public participation process, additional roll-over projects from 2017/2018 amounting to R6m and the year-on-year fluctuation and allocation of the Housing grant between operating (top structures), apart from increased capital funding comprising external borrowing and higher than usual surplus funding in the respective financial years. The increased own funding from surplus is due to cash generated from operations, which includes a further portion from the recent land sales. Further projects from the proceeds of land sales will be prioritised in future budgets, subject to maintaining minimum financial sustainability levels. The capital programme decreases to R134m and increases to R137m in the outer years, which is above the estimated minimum of R100m required annually to sustain capital infrastructure. Own funding (borrowing) is anticipated at R54m per annum over the 2018/2019 MTREF. These borrowings contribute to 34,8 % of the funding over the 2018/2019 MTREF. The balance will be funded from internally generated funds (25,7%) and capital grants (39,5%).

The Municipality had reached its planned outer borrowing limit of 60% of operational revenue in 2012. This was a result of much needed investment in infrastructure during the period from 2009 to 2012, after which the municipality embarked on a strategy to manage this rate down by at least 10% over a ten year period. In January 2014 National Treasury published the first norms and standards circular in which it recommended an upper limit of 45% to revenue. By the end of June 2019 it is estimated that this rate would be at 44,2% and at the end of the 2018/19 MTREF borrowing programme this rate should decrease to 41,5%, which is below the NT upper limit of 45% for the duration of the 2018/2019 MTREF. The repayment of capital and interest (debt services costs) remains within the NT acceptable norm band. Consequently, the capital budget reflects an increase compared to the previous three years.

## 1.4 Operating Revenue Framework

For Overstrand to continue delivering and improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with an increasing population (7<sup>th</sup> highest growth nationally as per the 2011 census), development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to maintain levels of above 99 per cent annual collection rates for property rates and other key service charges.;
- Electricity tariff increases for Eskom and the municipality, as approved by NERSA;
- Achievement of cost recovery of specific user charges and especially in relation to services;
- Determine tariff escalation rate by establishing the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increased pressure to deliver and maintain services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.





In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The increase in VAT of 1%, announced during the National budget speech, will place a further financial burden on the consumer as all basic services will be impacted. The VAT on property rates is levied at a rate of 0%.

Revenue generated from rates and services forms a significant percentage of the revenue basket for the Municipality. Rates and services revenues comprise 78,6% of the total operating revenue mix for 2018/2019. For the 2017/2018 financial year, revenue from rates and services charges totals R800,9m. These change to R848,7m, R899,6m and R953,5 in the respective financial years of the MTREF.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

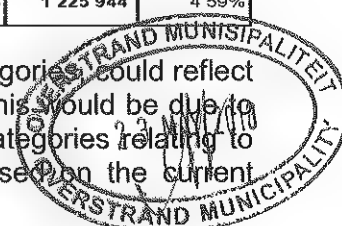
**Table 2 Summary of revenue classified by main revenue source**

Description R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>									
Property rates	152 607	164 488	197 047	212 784	214 752	214 752	234 998	249 098	264 044
Service charges - electricity revenue	287 754	324 599	355 454	339 249	339 270	339 270	362 784	384 507	407 545
Service charges - water revenue	108 318	114 179	123 084	114 494	117 120	117 120	116 781	123 754	131 147
Service charges - sanitation revenue	68 581	72 651	79 177	67 869	72 870	72 870	73 164	77 554	82 207
Service charges - refuse revenue	56 770	61 000	66 215	67 200	56 888	56 888	60 990	64 649	68 528
Service charges - other	-	-	667	117	-	-	-	-	-
Rental of facilities and equipment	9 253	9 915	11 394	4 933	4 933	4 933	3 679	3 897	4 128
Interest earned - external investments	8 144	12 209	20 347	13 962	19 462	19 462	21 001	21 001	21 001
Interest earned - outstanding debtors	2 279	2 735	2 671	3 203	3 201	3 201	3 700	3 922	4 157
Fines, penalties and forfeits	19 357	21 682	36 521	33 260	33 261	33 261	34 965	37 060	39 281
Licences and permits	1 972	2 423	2 525	2 374	2 374	2 374	2 447	2 593	2 749
Agency services	2 790	3 211	3 480	3 419	3 419	3 419	3 728	3 970	4 187
Transfers and subsidies	60 473	103 629	114 411	113 688	129 217	129 217	130 566	167 058	162 087
Other revenue	22 331	20 000	21 000	27 946	27 052	27 052	31 427	33 105	34 884
Gains on disposal of PPE	3 956	7 631	6 242	-	23 823	23 823	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>804 584</b>	<b>930 691</b>	<b>1 053 123</b>	<b>993 217</b>	<b>1 047 640</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description R thousand	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework					
		Budget Year 2018/19		Budget Year +1 2019/20		Budget Year +2 2020/21	
<b>Revenue By Source</b>							
Property rates	214 752	234 998	9.43%	249 098	6.00%	264 044	6.00%
Service charges - electricity revenue	339 270	362 784	6.93%	384 507	5.99%	407 545	5.99%
Service charges - water revenue	117 120	116 781	-0.29%	123 754	5.97%	131 147	5.97%
Service charges - sanitation revenue	72 870	73 164	0.40%	77 554	6.00%	82 207	6.00%
Service charges - refuse revenue	56 888	60 990	7.21%	64 649	6.00%	68 528	6.00%
Service charges - other							
Rental of facilities and equipment	4 933	3 679	-25.41%	3 897	5.91%	4 128	5.92%
Interest earned - external investments	19 462	21 001	7.91%	21 001	0.00%	21 001	0.00%
Interest earned - outstanding debtors	3 201	3 700	15.58%	3 922	6.00%	4 157	6.00%
Fines	33 261	34 965	5.12%	37 060	5.99%	39 281	5.99%
Licences and permits	2 374	2 447	3.06%	2 593	5.99%	2 749	5.99%
Agency services	3 419	3 726	9.00%	3 970	6.54%	4 187	5.47%
Transfers recognised - operational	129 217	130 566	1.04%	167 058	27.95%	162 087	-2.98%
Other revenue	27 052	31 427	16.18%	33 105	5.34%	34 884	5.37%
Gains on disposal of PPE	23 823		-100.00%				
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>3.11%</b>	<b>1 172 169</b>	<b>8.51%</b>	<b>1 225 944</b>	<b>4.59%</b>

The above table, relating to percentage increases for the different revenue categories, could reflect percentage changes that are not consistent with the annual tariff increases. This should be due to the baseline of the 2017/18 budget and further reclassifications of revenue categories relating to mSCOA. The determination of proposed revenue for 2018/19 has been based on the current statistics available, limited growth and a conservative approach.



After service charges, property rates are the second largest revenue source. The third largest source is operational grants from national and provincial government, which is showing growth over the MTREF, followed by fines and 'other revenue' which consists of various items such as revenue received from permits and licenses, building plan fees, connection fees, advertisement fees etc. Departments delivering these services have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective.

Operating grants and transfers total R130,3m in the 2018/19 financial year. This increases in the outer years to R167m in 2019/20 and R162m in 2020/21 respectively, of the MTREF. The fluctuations are mainly due to housing grant allocations and the splitting thereof between operating and capital budgets. The housing allocation for the building of top structures for housing development amounts to R110,5m over the MTREF. Equitable share increases over the MTREF by 39,7% in terms of the equitable share formula after the release of the 2011 census figures, as a result of the population growth in the Overstrand area.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	56 511	67 709	76 347	88 073	88 073	88 073	99 544	107 933	119 224
Local Government Equitable Share	52 021	63 000	72 950	84 223	84 223	84 223	96 068	106 383	117 674
Finance Management	1 450	1 450	1 475	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Systems Improvement									
EPWP Incentive	1 768	1 661	1 922	2 300	2 300	2 300	1 926		
Disaster recovery grant	1 272								
<b>Provincial Government:</b>	4 481	35 116	41 312	24 376	38 673	38 673	30 731	59 125	42 863
Human Settlements Development Grant	632	29 425	35 101	17 639	31 519	31 519	23 633	51 660	35 187
Library Services Grant	3 182	5 307	5 889	6 306	6 306	6 306	6 147	7 111	7 502
Financial Management Capacity Building Grant				240	240	240	360		
Community Development Workers Operational Support Grant	70	72	75	54	54	54	74	74	74
Maintenance & Construction of Transport Infrastructure	83	114	137	139	139	139	137		
Western Cape Financial Management Support Grant	515				280	280	280	280	
Local Government Internship Grant			60		66	66			
Greenest Municipality Competition			50		70	70			
Thusong Service Centre		200					100		100
<b>Other grant providers:</b>	165	-	-	-	-	-	-	-	-
Spaces 4 Sport/Friedrich Naumann Foundation									
Table Mountain Fund/ ACIP/Friedrich Naumann	165								
<b>Total Operating Transfers and Grants</b>	<b>61 158</b>	<b>102 825</b>	<b>117 659</b>	<b>112 451</b>	<b>126 746</b>	<b>126 746</b>	<b>130 275</b>	<b>167 058</b>	<b>162 087</b>

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services was taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Inflation (CPI) is currently within the 3 to 6 per cent target band of the South African Reserve Bank's inflation targets (current inflation expectations for 2018/19 still indicated above 5 per cent-Bureau of Economic Research), with an increase in inflation over the 2018/2019 MTREF. Municipalities should justify increases in excess of the 5,2 per cent projected inflation target. Excessive increases are by nature fundamentally likely to be counterproductive, which could result in possible higher levels of non-payment.

The increase in property rates has been set at 6%. Property rates increases were below inflation over previous years before 2014/15. In the eight years prior to 2014/2015, the property rates tariff had only on two occasions challenged the annual inflation rate. Furthermore, average increases in service charges are also set at 6%, with the exception of electricity tariffs.

The percentage increases of Eskom bulk tariffs charged to municipalities has provisionally been set at 7,32% by NERSA. The initial tariff increases for electricity were based on this assumption. Following our tariff increase application to NERSA at an average increase of 7,32%, NERSA is only allowing an average tariff increase of 6,85%. A revised application has been submitted, based on the recommendations.

The following table sets out the costing of services.

It should be noted that the revised budget presentation for the costing of services relating to FBS, in comparison with previous years' revenue accrual of subsidies for basic services to indigents, are now reflected as a reduction of revenue. The portion of the Equitable Share equal to the cost and revenue cost of FBS to indigents has since 1 July 2017 been reflected as revenue to the relevant service. This is to ensure that the tariffs for these services are not unduly burdened as a result of the revised budget presentation.

**Table 5 Costing of services**

<b>COSTING OF SERVICES</b>	<b>Original Budget 2017/2018</b>	<b>Original Budget 2018/2019</b>
<b>Service : ELECTRICITY</b>		
Bulk Purchases	211 416 707	238 588 349
Contracted Services	2 615 261	2 499 915
Depreciation and Amortisation	25 681 099	25 315 495
Employee Related Cost	22 002 468	22 938 056
Interest, Dividends and Rent on Land	16 427 075	16 504 720
Inventory Consumed	4 094 589	4 467 397
Operational Cost	593 884	651 980
Costing: Overheads (Dept charges)	48 918 011	51 510 666
<b>TOTAL EXPENDITURE</b>	<b>331 749 094</b>	<b>362 476 578</b>
<b>** INCOME</b>		
** Ex Rev: Service Charges	-340 290 297	-360 413 100
** Ex Rev: Sales Goods Services		-2 355 800
** Non-Ex Rev: Fine Penlt Forft		-160 000
** Cost Free Basic Services	-25 760 121	-27 864 163
<b>TOTAL INCOME</b>	<b>-366 050 418</b>	<b>-390 793 063</b>
<b>(SURPLUS)/DEFICIT</b>	<b>-34 301 324</b>	<b>-28 316 485</b>
	<b>9.37%</b>	<b>7.25%</b>



<b>COSTING OF SERVICES</b>		<b>Original Budget 2017/2018</b>	<b>Original Budget 2018/2019</b>
<b>Service : WATER</b>			
Contracted Services		41 317 423	45 089 861
Depreciation and Amortisation		27 593 009	27 481 426
Employee Related Cost		10 232 364	11 443 921
Interest, Dividends and Rent on Land		18 295 385	18 045 930
Inventory Consumed		2 869 944	3 189 722
Operational Cost		4 563 507	5 034 539
Costing: Overheads (Dept charges)		14 403 048	15 166 410
<b>TOTAL EXPENDITURE</b>		<b>119 274 680</b>	<b>125 451 809</b>
<b>** INCOME</b>			
** Ex Rev: Service Charges		-114 812 383	-115 330 600
** Ex Rev: Sales Goods Services		-100	-900 300
** Non-Ex Rev: Fine Penlt Forft			-150 000
** Cost Free Basic Services		-11 613 917	-14 031 701
<b>TOTAL INCOME</b>		<b>-126 426 400</b>	<b>-130 412 601</b>
<b>(SURPLUS)/DEFICIT</b>		<b>-7 151 720</b>	<b>-4 960 792</b>
		<b>5.66%</b>	<b>3.80%</b>
<b>Service : WASTE WATER MANAGEMENT</b>			
Contracted Services		17 532 559	17 843 042
Depreciation and Amortisation		16 023 825	16 302 296
Employee Related Cost		15 374 796	15 915 840
Interest, Dividends and Rent on Land		9 142 865	10 546 071
Inventory Consumed		3 771 495	3 837 423
Operational Cost		1 126 456	1 165 997
Costing: Overheads (Dept charges)		14 526 824	15 296 745
<b>TOTAL EXPENDITURE</b>		<b>77 498 820</b>	<b>80 907 414</b>
<b>** INCOME</b>			
** Ex Rev: Service Charges		-68 240 439	-73 164 000
** Cost Free Basic Services		-11 047 561	-13 386 311
<b>TOTAL INCOME</b>		<b>-79 288 000</b>	<b>-86 550 311</b>
<b>(SURPLUS)/DEFICIT</b>		<b>-1 789 180</b>	<b>-5 642 897</b>
		<b>2.26%</b>	<b>6.52%</b>
<b>Service : WASTE MANAGEMENT</b>			
Contracted Services		20 516 991	24 149 649
Depreciation and Amortisation		4 029 590	4 771 153
Employee Related Cost		25 224 684	29 273 989
Interest, Dividends and Rent on Land		990 825	788 070
Inventory Consumed		2 516 860	2 799 827
Operational Cost		3 483 627	4 506 221
Costing: Overheads (Dept charges)		9 511 311	10 015 410
<b>TOTAL EXPENDITURE</b>		<b>66 273 888</b>	<b>76 304 319</b>
<b>** INCOME</b>			
** Ex Rev: Service Charges		-54 390 499	-59 843 300
** Ex Rev: Sales Goods Services		-1 087 700	-1 156 800
** Non-Ex Rev: Transfers Subsidy		-14 811 601	-16 578 054
<b>TOTAL INCOME</b>		<b>-70 289 800</b>	<b>-77 578 154</b>
<b>(SURPLUS)/DEFICIT</b>		<b>-4 015 912</b>	<b>-1 273 835</b>
		<b>5.71%</b>	<b>1.64%</b>

**Notes:**

1. The Secondary costs (overheads) are consistent with previous allocations plus 5,3% inflation
2. Final salary budget increased to 7%, based on current proposals - negotiation process.



It must also be noted that the consumer price index, as measured by CPI, is not always an ideal indicator of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, accommodation, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, chemicals, fuel etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### 1.4.1 Property Rates

Property rates revenue should cover the cost of the provision of general community and support services. Determining the effective property rates tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and also prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties.

The following stipulations in the Property Rates Policy are highlighted:

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
<b>BUS</b>	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	No exemptions. Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between Bus and Res. rate: 1 -2 X lettable room: 100% 3 X lettable rooms: 75% 4 X lettable rooms: 50% 5 X lettable rooms: 25%
<b>BUSO</b>	General Tax: Tourism and recreational resorts outside the municipal urban areas	Hotels, Guest Houses, Cottages, Caravan parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas.
<b>RES</b>	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes, small holdings not used for bona fide farming purposes	The first R15 000.00 of the rateable value of all residential properties is exempted from property tax. A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued and an additional rebate of 20% of the levy calculated on such properties, is granted. Rebate to qualifying property owners as indicated under "Other Rebate"
<b>RESO</b>	General Tax: Residential properties outside the municipal urban area	Single residential properties, Group housing, Retirement Villages, Flats, Sectional Schemes	50% of the tax applicable on residential property in urban areas. Rebate to qualifying property owners as indicated under "Other Rebate"



<b>FARMS</b>	General Tax: Farming Properties	Smallholdings used for bona fide farming purposes outside municipal service area	Agricultural purpose in relation to the use of a property, excludes the use of a property for the purpose of ecotourism or for the trading in or hunting of game.
<b>FARMS</b>	Conservation land	Privately owned properties whether designated or used for conservation purposes.	Not rateable in terms of section 17(1)(e) of the act.
<b>PR100</b> <b>PR050</b> <b>PR040</b>	Other Rebates	Single residential properties, Group Housing, Retirement Villages, Flats, Sectional Schemes	<p>Property zoned single residential must be occupied permanently by the applicant;</p> <ul style="list-style-type: none"> <li>- The applicant must be the registered owner;</li> <li>- Only one residential unit allowed on the property</li> <li>- Applicant may not be the registered owner of more than one property</li> </ul> <ul style="list-style-type: none"> <li>• A rebate of 100% to approved applicants, in terms of the <b>Property Rates Policy</b>, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month;</li> <li>• A rebate of 50% to approved applicants, in terms of the <b>Property Rates Policy</b>, who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month;</li> <li>• A rebate of 40% to approved applicants, in terms of the <b>Property Rates Policy</b>, who are older than 60 with a gross monthly household income of more than four times (4X) but less than eight times (8X) of state funded social pensions per month.</li> </ul>

The following table sets out the categories of rateable properties for purposes of levying rates and the proposed rates for the 2018/19 financial year, to increase from 1 July 2018

**Table 6 Comparison of proposed rates to be levied for the 2018/19 financial year**

RATES TARIFFS					
Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
<b>RATES</b>	<b>YEAR OF GENERAL VALUATION: 02 JULY 2015</b>				
<b>RATE1*</b>	Commercial Land with Improvements	0.00817	0.00817	0.00771	0.00771
<b>RATE2*</b>	Residential Land with improvements	0.00540	0.00540	0.00509	0.00509
	* See attached schedule of Exemptions and Rebates applicable				
<b>RATE3</b>	Municipal Properties: Investment Properties	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential	Applicable tariff for Commercial or Residential
<b>RATE4</b>	Municipal Properties: Property, Plant and Equipment	0.00000	0.00000	0.00000	0.00000
<b>RATE5</b>	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.10000	0.10000	0.10000	0.10000
<b>RATE6</b>	Building Clause	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property	Equals to tariff for rates on property
<b>RATE7</b>	Farm/Agriculture (Bona-fide)	0.001349	0.001349	0.00127	0.00127
<b>RATE8</b>	Undeveloped erven	0.00739	0.00739	0.00697	0.00697
<b>RATE9</b>	Government Properties: Commercial	0.00817	0.00817	0.00771	0.00771
<b>RATE10</b>	Government Properties: Residential	0.00540	0.00540	0.00509	0.00509
<b>RATE11</b>	Special Rating Areas				
<b>SRA1</b>				new	new
PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES					





#### 1.4.2 Sale of Water and Impact of Tariff Increases

Evermore South Africa faces challenges with regard to potable water supply, since demand growth outstrips supply, coupled with the possible impact of climate change, where the Western Cape is experiencing the worst drought since 1933. Due to water source and infrastructure investment in the previous few years made by Overstrand, a water crisis could up till now, be averted. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Overstrand has implemented a phased approach in this regard.

Water source management and maintenance of infrastructure together with cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. It needs to be noted that the new infrastructure levy (Table 7 below) relates to a loan for water & waste water infrastructure networks, to be raised over the next three years.

Tariff increases as from 1 July 2018 are indicated in the list of tariffs in Annexure C. The 6 kl free water per 30-day period has since 2014 only been granted to registered indigents. The third level of phasing in the increases in the 0 – 6 kl category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has been further phased-in. This is the reason for the higher than 6% collective increase in this category of the tariffs.

A summary of the proposed tariffs for households (residential) are as follows:

**Table 7 Comparison between current water charges and increases (Domestic)**

Tariff Code	Detail	2018/2019		2017/2018		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>W1</b>	<b>BASIC CHARGE</b>					
W1A1	Basic Monthly Charge per erf/unit per	129.14	148.51	121.83	140.10	6.00%
W1A3A	Fixed Infrastructure Basic Charge per erf/unit per month	15.45	17.77	15.45	17.77	0.00%
W1A3B	Fixed Infrastructure Basic Charge per erf/unit per month	8.41	9.67	new	new	
<b>W1B</b>	<b>CONSUMPTION - HOUSEHOLDS</b>					
	<b>Normal Tariff</b>					
W1B1	0 - 6 kl per kl	5.02	5.77	4.50	5.17	11.50%
W1B2	7 - 18 kl per kl	10.85	12.48	10.24	11.78	6.00%
W1B3	19 - 30 kl per kl	17.61	20.25	16.61	19.10	6.00%
W1B4	31 - 45 kl per kl	27.11	31.17	25.57	29.41	6.00%
W1B5	46 - 60 kl per kl	35.21	40.50	33.22	38.20	6.00%
W1B6	>60kl per kl	46.96	54.00	44.30	50.94	6.00%

#### 1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA announced a revised bulk electricity pricing structure at 5,23 per cent for Eskom on 15 December 2017, to be implemented from 1 April 2018 for Eskom clients. A proposed 5,32 per cent increase in the Eskom bulk electricity tariffs to municipalities, as per the consultation paper issued, could become effective from 1 July 2018. The tariff increases that were factored into the budget were based on the proposed increases in the consultation paper.



Considering the increases based on the draft consultation paper, the initial tariffs were adjusted between 6,5% to 7,32%, for units consumption. The basic charge increases by 9%. The basic charge increase for households is to further mitigate the disparity between fixed and variable costs. It should however be noted that the basket (household account) for electricity would still average 6,84%.

NERSA has since recommended average tariff increases of 6,85%. The impact of the reduced tariffs amounts to an estimated reduction in revenue of R2,9m.

A subsequent application, based on the recommendations, has since been lodged with NERSA. The final approval of the revised tariffs is awaited from NERSA.

Furthermore, Local Government has been urged in discussions at various forum meetings and workshops to address the disparity in recovery of costs in relation to basic charges versus unit cost charges with regard to fixed costs and variable costs respectively. The municipality is revisiting cost allocation in terms of before-mentioned on an annual basis in order to ensure parity.

Registered indigents continue to be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic consumers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

Tariff Code	Detail		2018/2019		2017/2018		
			Exclude VAT	Include VAT	Exclude VAT	Include VAT	
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1A1	Basic Monthly charge per meter	R	291.60	335.34	267.52	307.65	9.00%
	kWH Unit cost						
E1A2	IBT BLOCK 1 0 - 350 kWh	c	114.88	132.11	108.58	124.87	5.80%
E1A3	IBT BLOCK 2 351 - 600 kWh	c	167.82	192.99	158.17	181.90	6.10%
E1A4	IBT BLOCK 3 > 600 kWh	c	206.02	236.92	192.81	221.73	6.85%
E1B	Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (Including Resorts)						
E1B1	Basic Monthly charge per meter	R	291.60	335.34	267.52	307.65	9.00%
	kWH Unit cost						
E1B2	IBT BLOCK 1 0 - 350 kWh	c	106.12	122.03	100.30	115.34	5.80%
E1B3	IBT BLOCK 2 351 - 600 kWh	c	158.14	181.86	149.04	171.40	6.10%
E1B4	IBT BLOCK 3 > 600 kWh	c	198.03	227.73	185.33	213.13	6.85%

The stepped tariff for electricity as previously proposed by NERSA has continued. With the latest recommendations, the tariff increases in the inclining block tariff for the electricity consumption tariffs has been reduced to 5,8%, 6,1% and 6,85% for the respective inclining blocks, which grants further relief to all households for consumption up to the first 350kwh electricity per month. The reduced tariffs for prepaid meters, compared to conventional meters, will continue as in the past.

The proposed capital budget for the Electricity Service will primarily be utilised for certain committed upgrade projects and to strengthen critical infrastructure. An amount of R2m has been set aside to purchase some much needed vehicles for the electricity function.

The taking up of external loans as a strategy for the funding of infrastructure is considered to spread the burden over the life span of the assets. As part of the 2018/19 medium-term capital programme, external loan funding has been allocated to electricity infrastructure.

The full proposed tariffs are included in Annexure C.



#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation (basic & consumption) is proposed from 1 July 2018.

This is based on tariff increases related to inflation increases as mentioned earlier in this report. The tariff for the basic charge for undeveloped sites which can connect to the network was reduced in the 2016/2017 financial year to bring it in line with the basic charge for developed sites.

The following factors inform the proposed tariffs:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Tariff structure comparability research was undertaken by the Infrastructure & Planning directorate, where it was found that the current tariff structure compares very favourably, towards the consumer, against tariff structures locally and international; and
- Free sanitation (4,2 kℓ of 6 kℓ water) will be applicable to registered indigents.

The following table compares the current and proposed tariffs:

**Table 9 Comparison between current sanitation charges and increases (Domestic)**

Tariff Code	Detail	2018/2019		2017/2018		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
<b>SE7A</b>	<b>SEWERAGE - SINGLE AND INTERMEDIATE RESIDENTIAL (Dwelling house and Duplex flats, Conventional Sewers, small bore sewers and conservancy tanks)</b>					
SE7A1	0 - 35kl per kl (based on 70% of 50kl water usage) - per unit per month, Conservancy tank service only during office hours per month. For after hours service, refer to tariff SE9B.	12.22	13.93	11.53	13.14	6.00%
<b>SE8</b>	<b>BASIC CHARGE</b>					
SE8A	Basic Monthly Charge Developed sites per erf/unit per month	115.09	132.35	108.54	124.83	6.03%

#### 1.4.5 Waste Removal and Impact of Tariff Increases

The financial performance of the solid waste services is improving in terms of a turnaround of the minor deficit budgeted for in 2016/17 and it is expected to operate at least at breakeven for 2017/2018.

The re-opening of the Karwyderskraal waste disposal site during the latter half of 2015/16 was to improve operational efficiencies regarding solid waste disposal from Hermanus and Kleinmond, which is channelled to this site. The Theewaterskloof municipality previously disposed of solid waste at Karwyderskraal when it was operated by the District municipality. Theewaterskloof municipality also utilises this service operated by Overstrand municipality, who will still operate Cell 3 of the site for the next few months, based on a lease agreement with the District municipality for a portion of the land at Karwyderskraal.

It is important to note that although a tariff increase of 6% is set for 2018/2019, the final impact of the current deliberations regarding the construction of Cell 4 by the District Municipality, by the end of 2018, has been concluded. The costs for the disposal of waste and associated revenue will be reviewed during the next budget cycle.

Services relevant to refuse removal, refuse dumps and solid waste disposal mechanisms must comply with stringent legislative requirements such as the National Environmental Management



Waste Act, No 59 of 2008. This service will receive further revision of the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

The following table compares current and proposed amounts payable from 1 July 2018:

**Table 10 Comparison between current waste removal fees and increases (Domestic)**

Tariff Code	Detail	2018/2019		2017/2018		
		Exclude VAT	Include VAT	Exclude VAT	Include VAT	
SAN1	<b>REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)</b>					
SAN1A	Residential (All registered erven/unit with approved building plan) 1 x removal per week (R/Month)	164.35	189.00	155.04	178.29	6.01%

All proposed refuse tariffs are listed in Annexure C.

#### 1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on large, medium and small household consumers (**with a pre-paid electricity meter**), as well as an indigent household receiving free basic services.



<b>High Consumption with prepaid elect meter</b>		2017/2018	2018/2019	Amount	%
Valuation	R3 500 000				
Rates		1 170.70	1 240.94	70.24	6.00
Sewer	SE7A1+SE8A	536.31	568.69	32.38	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	50 kl	1 020.71	1 083.43	62.73	6.15
VAT	0.15	263.06	280.50	17.44	6.63
<b>SUB TOTAL</b>		<b>3 187.51</b>	<b>3 391.46</b>	<b>203.95</b>	<b>6.40</b>
Electricity Prep	1500 kWh	2 659.14	2 840.57	181.42	6.82
VAT	0.15	398.87	426.09	27.21	6.82
<b>TOTAL</b>		<b>6 245.53</b>	<b>6 658.11</b>	<b>412.58</b>	<b>6.61</b>
<b>HPP if applicable</b>		<b>117.07</b>	<b>124.09</b>	<b>7.02</b>	<b>6.00</b>
<b>Medium Consumption with prepaid elect meter</b>		2017/2018	2018/2019	Amount	%
Valuation	R2 500 000				
Rates		831.37	881.25	49.88	6.00
Sewer	SE7A1+SE8A	322.43	341.89	19.46	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	25 kl	387.97	412.73	24.76	6.38
VAT	0.15	136.07	145.88	9.81	7.21
<b>SUB TOTAL</b>		<b>1 874.56</b>	<b>1 999.63</b>	<b>125.07</b>	<b>6.67</b>
Electricity Prep	800 kWh	1 361.83	1 454.39	92.56	6.80
VAT	0.15	204.28	218.16	13.88	6.80
<b>TOTAL</b>		<b>3 440.67</b>	<b>3 672.18</b>	<b>231.51</b>	<b>6.73</b>
<b>HPP if applicable</b>		<b>83.14</b>	<b>88.12</b>	<b>4.99</b>	<b>6.00</b>
<b>Low Consumption with prepaid elect meter</b>		2017/2018	2018/2019	Amount	%
Valuation	R1 000 000				
Rates		322.37	341.71	19.34	6.00
Sewer	SE7A1+SE8A	236.87	251.17	14.30	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	15 kl	240.98	256.92	15.94	6.62
VAT	0.15	101.19	108.90	7.71	7.62
<b>TOTAL</b>		<b>1 098.14</b>	<b>1 176.59</b>	<b>78.45</b>	<b>7.14</b>
Electricity Prep	600 kWh	991.18	1 058.34	67.17	6.78
VAT	0.15	148.68	158.75	10.07	6.78
<b>TOTAL</b>		<b>2 237.99</b>	<b>2 393.68</b>	<b>155.69</b>	<b>6.96</b>
<b>HPP if applicable</b>		<b>32.24</b>	<b>34.17</b>	<b>1.93</b>	<b>6.00</b>
<b>Life-Line Consumption (ONE PART) (Indigent)</b>		2017/2018	2018/2019	Amount	%
Valuation	R50 000				
Rates		0.00	0.00	0.00	0.00
Sewer	SE7A1	17.11	18.14	1.03	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	0.00	0.00	0.00	0.00
Water	8 kl	20.48	21.71	1.23	6.00
VAT	0.15	11.89	12.23	0.34	2.85
<b>SUB TOTAL</b>		<b>91.18</b>	<b>93.78</b>	<b>2.60</b>	<b>2.85</b>
Electricity Pre-	300 kWh	304.21	321.85		
VAT	0.15	45.63	48.28	2.65	5.80
<b>TOTAL</b>		<b>441.02</b>	<b>463.92</b>	<b>22.89</b>	<b>5.19</b>

Table 11 MBRR Table SA14 – Household bills

## WC032 Overstrand - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Affordable'	1										
Income Range'											
Rates and services charges:											
Property rates		179.40	191.53	205.32	220.57	220.57	220.57	6.0%	233.78	247.81	262.68
Electricity: Basic levy		204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption		1 219.02	1 367.73	1 445.42	1 464.97	1 464.97	1 464.97	6.4%	1 558.85	1 661.87	1 761.58
Water: Basic levy		102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption		294.95	313.77	333.62	354.92	354.92	354.92	6.4%	377.69	400.35	424.37
Sanitation		306.60	325.09	344.53	365.16	365.16	365.16	6.0%	387.25	410.49	435.11
Refuse removal		130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other		41.70	41.70	41.70	41.70	41.70	41.70	28.4%	53.54	53.54	53.54
sub-total		2 478.69	2 703.06	2 886.56	2 991.71	2 991.71	2 991.71	6.8%	3 196.19	3 394.24	3 594.68
VAT on Services		321.90	351.61	375.37	387.96	387.96	387.96		445.70	471.96	499.80
Total large household bill:		2 800.59	3 054.67	3 261.93	3 379.67	3 379.67	3 379.67	7.8%	3 641.89	3 866.20	4 094.48
% increase/-decrease			9.1%	6.8%	3.6%	-	-		7.8%	6.2%	5.9%
Monthly Account for Household - 'Affordable'	2										
Income Range'											
Rates and services charges:											
Property rates		124.20	132.60	142.15	152.70	152.70	152.70	6.0%	161.85	171.56	181.85
Electricity: Basic levy		204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption		494.02	554.27	571.30	574.61	574.61	574.61	5.9%	608.61	649.64	688.62
Water: Basic levy		102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption		222.11	236.54	251.79	268.19	268.19	268.19	6.5%	285.74	302.88	321.06
Sanitation		270.69	287.01	304.18	322.39	322.39	322.39	6.0%	341.89	362.40	384.15
Refuse removal		130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other		41.70	41.70	41.70	41.70	41.70	41.70	28.4%	53.54	53.54	53.54
sub-total		1 589.74	1 715.36	1 827.09	1 903.98	1 903.98	1 903.98	7.0%	2 036.71	2 160.22	2 286.62
VAT on Services		205.18	221.59	235.89	245.18	245.18	245.18		281.87	298.30	315.71
Total small household bill:		1 794.92	1 936.95	2 062.98	2 149.16	2 149.16	2 149.16	7.8%	2 318.58	2 458.52	2 602.33
% increase/-decrease			7.9%	6.5%	4.2%	-	-		7.9%	6.0%	5.8%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		69.00	73.67	78.97	84.83	84.83	84.83	6.0%	89.92	95.32	101.03
Electricity: Basic levy		204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption		310.24	348.08	351.58	351.05	351.05	351.05	5.8%	371.41	396.30	420.08
Water: Basic levy		102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption		152.36	162.59	173.44	185.14	185.14	185.14	6.8%	197.69	209.55	222.12
Sanitation		234.78	248.93	263.82	279.62	279.62	279.62	6.0%	296.53	314.32	333.18
Refuse removal		130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other		(593.36)	(635.29)	(701.43)	(739.70)	(739.70)	(739.70)	7.6%	(796.06)	(857.00)	(922.58)
sub-total		610.04	661.22	682.35	705.33	705.33	705.33	5.6%	744.57	778.68	811.24
VAT on Services		69.91	76.42	78.64	77.42	77.42	77.42		87.86	93.23	98.93
Total small household bill:		679.95	737.64	760.99	782.75	782.75	782.75	6.3%	832.43	871.91	910.17
% increase/-decrease			8.5%	3.2%	2.9%	-	-		6.3%	4.7%	4.4%

## References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

**Please Note: Impact of new Infrastructure Levy – Will be subsidised for Indigent Households**





## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are sound reasons for utilising existing uncommitted cash-backed reserves to fund any deficit;
- The repairs and maintenance plan relating to the asset management strategy;
- Funding of the budget over the MTREF as informed by Section 18 and 19 of the MFMA;
- Reducing expenditure on non-core programmes;
- Implementing operational gains and efficiencies;
- Strict adherences to the principle of *no project plan no budget*. If there is no business plan no funding allocation will be made; and
- Taking cognisance of cost containment guidelines and assessing the status of current measures.

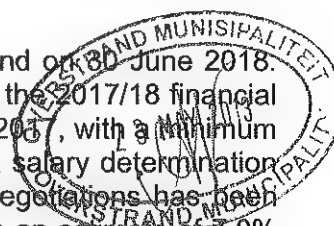
The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

**Table 12 Summary of operating expenditure by functional classification item**

Description R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Expenditure By Type</b>									
Employee related costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Remuneration of councillors	8 104	8 566	9 265	10 053	10 253	10 253	10 972	11 518	12 091
Debt impairment	7 693	13 785	22 005	22 792	22 792	22 792	23 492	23 492	23 492
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Finance charges	43 447	46 207	45 913	47 440	47 440	47 440	47 834	50 433	52 064
Bulk purchases	167 660	194 620	217 523	211 447	216 447	216 447	238 588	255 610	273 856
Other materials	27 754	19 605	20 273	49 647	57 090	57 090	57 602	89 068	74 195
Contracted services	95 295	112 447	129 647	173 424	178 460	178 460	193 637	213 119	214 980
Transfers and subsidies	50 392	51 090	56 136	1 778	1 778	1 778	500	278	292
Other expenditure	131 401	93 542	104 414	57 710	58 486	58 486	64 232	69 133	70 574
Loss on disposal of PPE	0	392	8 133						
<b>Total Expenditure</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>

The budgeted allocation for employee related costs and remuneration of councillors for the 2018/19 financial year totals R378m which equals 33,3 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. Of this total, the provisions relating to employee related costs amounts to R13,9m of which the majority of the amount is a long term liability (post-retirement benefits) and therefore not cash remuneration.

The current three year collective SALGBC salary agreement comes to an end on 30 June 2018. Salary increases, according to the agreement, were determined at 7,35% for the 2017/18 financial year, based on the average inflation for the period February 2016 to January 2017, with a minimum inflation rate of 5% plus 1%. The salary negotiations are still underway for a salary determination as from 1 July 2018. The current proposal of the mediator for the salary negotiations has been used as a tenable guideline for an increase in remuneration. This amounts to an estimate of 7,0% increase in salaries, which has been factored into the budget.



With effect from 1 July 2010, the Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation does compare the salaries of incumbents with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for the 2018/2019 budget. For draft budgeting purposes, an of 5,8 per cent, has been factored into the budget for this category of employees.

Regulations have been promulgated, which provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2017/2018 increases was published during January 2018. No indication for 2018/19 has been received to date and therefore remuneration of councillors has been factored into the 2018/2019 budget at the same rate as the 2017/2018 determination.

The provision of debt impairment and write-off of bad debts for consumer accounts has been determined based on an annual collection rate of close to 100 per cent and the Debt Write-off Policy of the Municipality. For the 2018/19 financial year this amount equates to R0,7m. Impairment for traffic fines, resulting from the implementation of IGRAP1, has been budgeted according to the trends from the three previous financial years and amounts to R22m.

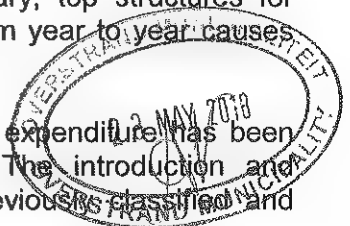
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R130,4m for the 2018/19 financial year and equates to 11,5 per cent of the total operating expenditure. Note that the implementation of the GRAP 17 accounting standard meant bringing a range of assets previously depreciated and not included in the assets register, back onto the assets register. This resulted in a significant increase in depreciation relative to previous years. This aspect is further highlighted in para. 1.3 of this report.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital). Finance charges comprise 4,2 per cent of operating expenditure. The gearing ratio of borrowing to revenue is expected to be 44,3 per cent for 2018/19, which is below the outer proposed limit of National Treasury, and decreases to 41,5 per cent over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The proposals from the NERSA determination for Eskom, for a 7.32% bulk price increase to municipalities from the 1 July 2018 has been factored into the budget appropriations and also directly inform tariff increase.

Other materials, now classified as Inventory in mSCOA, comprise amongst others the purchase of materials for maintenance, cleaning materials, fuel, printing and stationary, top structures for housing projects etc. The expenditure on top structures that fluctuates from year to year causes major discrepancies in the trend for this type of expenditure.

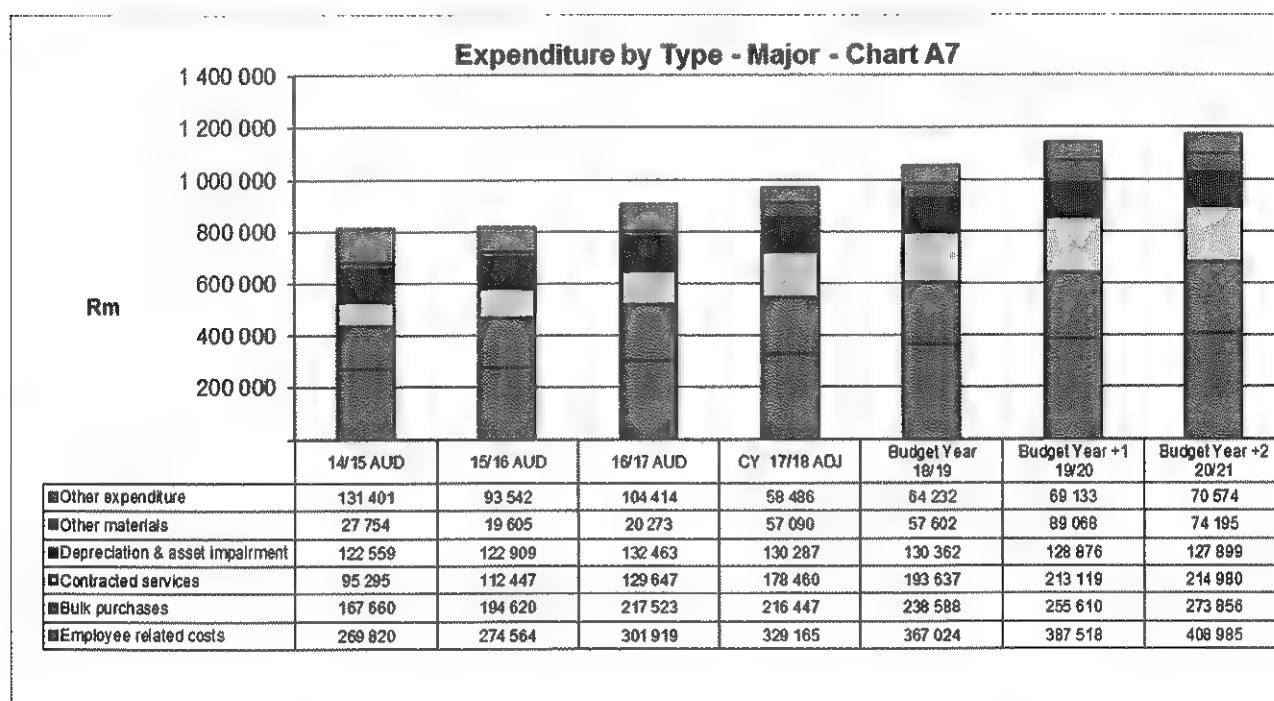
In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. The introduction and reclassification resulting from mSCOA caused a shift in expenditure previously classified and budgeted under general expenses in relation to previous years' figures.



Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2018/19 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2018/19 financial year, this group of expenditure totals R193,6m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses. Further details relating to contracted services can be seen in Table 62 MBRR SA1 (see page 98).

Other Expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to other expenditure can be seen in Table 62 MBRR SA1 (see page 98). It is highlighted that the NT A Schedules, although revised, does not sufficiently reflect all mSCOA classifications relating to all types of expenditure.

The following table gives a breakdown of the major expenditure categories for the 2018/19 financial year.



**Figure 1 Main operational expenditure categories for the 2018/19 financial year**

#### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provides for continuing in the area of asset maintenance, as informed by the asset maintenance strategy and repairs and maintenance plan of the Municipality.

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance.

Table 13 Operational repairs and maintenance

WC032 Overstrand - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Repairs and Maintenance by Expenditure Item</b>									
Employee related costs	37 737	38 175	50 261	53 689	53 537	53 537	100 740	105 574	110 322
Other materials	9 317	14 541	3 500	34 624	25 013	25 013	16 024	18 865	19 866
Contracted Services	34 342	30 494	36 145	72 415	79 144	79 144	82 917	88 690	94 357
Other Expenditure	76 630	26 167	30 890	8 555	33 541	33 541	25 531	26 383	27 573
<b>Total Repairs and Maintenance Expenditure</b>	<b>158 026</b>	<b>109 377</b>	<b>120 795</b>	<b>169 284</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>

During the compilation of the 2018/19 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. As part of the 2018/19 MTREF this strategic imperative remains a priority. In relation to the total operating expenditure, repairs and maintenance comprises on average 19,8 per cent of the budget over the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset classes:

Table 14 Repairs and maintenance per asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>136 009</b>	<b>99 836</b>	<b>110 312</b>	<b>132 746</b>	<b>139 160</b>	<b>139 160</b>	<b>149 690</b>	<b>161 198</b>	<b>170 275</b>
Roads Infrastructure	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	69 598
Roads	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	69 598
Stormwater Infrastructure	5 398	5 280	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Stormwater Conveyance	5 398	5 280	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Electrical Infrastructure	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 098	26 511
HV Transmission Conductors	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 098	26 511
Water Supply Infrastructure	25 811	18 056	16 489	17 549	17 549	17 549	19 104	20 599	21 717
Dams and Weirs									
Water Treatment Works	25 811	18 056	16 489	17 549	17 549	17 549	19 104	20 599	21 717
Sanitation Infrastructure	16 060	11 512	11 672	16 500	16 525	16 525	13 642	14 533	15 378
Waste Water Treatment Works	16 060	11 512	11 672	16 500	16 525	16 525	13 642	14 533	15 378
Solid Waste Infrastructure	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
Waste Transfer Stations	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
<b>Community Assets</b>	<b>7 338</b>	<b>-</b>	<b>4 867</b>	<b>10 548</b>	<b>13 798</b>	<b>13 798</b>	<b>41 017</b>	<b>43 625</b>	<b>45 700</b>
Community Facilities	6 601	-	4 867	5 895	7 327	7 327	27 714	29 669	31 232
Sport and Recreation Facilities	737	-	-	4 654	6 471	6 471	13 304	13 956	14 468
<b>Other assets</b>	<b>10 287</b>	<b>-</b>	<b>-</b>	<b>6 942</b>	<b>9 202</b>	<b>9 202</b>	<b>12 497</b>	<b>11 283</b>	<b>11 869</b>
Operational Buildings	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Municipal Offices	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Housing	177	-	-	-	-	-	-	-	-
Social Housing	177	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>4 392</b>	<b>-</b>	<b>5 536</b>	<b>5 384</b>	<b>5 787</b>	<b>5 787</b>	<b>5 337</b>	<b>5 937</b>	<b>5 964</b>
Computer Equipment	4 392	-	5 536	5 384	5 787	5 787	5 337	5 937	5 964
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 663</b>	<b>23 288</b>	<b>23 288</b>	<b>16 622</b>	<b>17 468</b>	<b>18 310</b>
Furniture and Office Equipment	-	-	-	13 663	23 288	23 288	16 622	17 468	18 310
<b>Total Repairs and Maintenance Expenditure</b>	<b>158 026</b>	<b>109 377</b>	<b>120 795</b>	<b>169 284</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>

For the 2018/19 financial year, 19,9 per cent or R225,2m of the total budget will be spent on repairs and maintenance, of which R190,7m is for infrastructure. Roads infrastructure has received a significant proportion of the infrastructure allocation totalling 28,2 per cent (R63,4m), followed by community assets at 18,2 per cent (R41m) and electricity at 10,5 per cent (R23,7m).

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are indigent/poor or face other circumstances that limit their ability to pay for services. To receive these free/subsidised services the households are required to register in terms of the Municipality's Indigent Policy. The budgeted indigent households for 2018/19 is estimated at 7400 and will be reviewed monthly.

The following is an extract from NT Budget Circular 85:

"The change in the treatment of cost of free basic services indicates that municipalities must not disclose the support to indigents on table SA21 "Transfers and grants". The change in the treatment of free basic services has been fully implemented during the 2017/2018 financial year.

Details relating to free services and basic service delivery measurement is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 45.

The cost of the social package of the registered indigent households is fully covered by the local government equitable share received in terms of the annual Division of Revenue Act and that portion relating to a specific service has been apportioned as revenue to that specific service.

The policy for Grants-in-aid to organisations has been revised and approved by Council. Submissions have been received for grant-in-aid for the 2018/19 financial year, after this was advertised for applications. The preliminary list of successful applicants is included below:

**Table 15 MBRR Table SA21 – Transfers and grants made by the municipality**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash Transfers to Organisations</b>									
Mayor's Charity Fund	278	348	348	278	278	278	132	278	292
National Sea Rescue Institute (Hermanus Station)							30		
Hermanus Night Shelter							12		
Recycle Swap Shop							20		
Franskraal Bowling Club							10		
Child Welfare Kleinmond							20		
Sustainable Futures Trust							30		
Overstrand Hospice							18		
Camp Hill Farm Community							18		
Stanford Conservation							20		
Overberg Aquatic Club							25		
Hermanus Botanical Society							7		
Child Welfare Hermanus							30		
Pearly Beach Conservancy							16		
BADISA							25		
Overstrand Association for People with Disabilities (OAPD)							20		
Narrative Foundation							13		
Hermanus Hacking Group							13		
Overberg Wheelchair Association							13		
Kids at the Centre							13		
Tourism Buro's	1 733	1 508	1 468	1 500	1 500	1 500	500		
<b>Total Cash Transfers To Organisations</b>	<b>2 011</b>	<b>1 856</b>	<b>1 817</b>	<b>1 778</b>	<b>1 778</b>	<b>1 778</b>	<b>500</b>		

Tourism offices will from the 1 July 2018 no longer be funded by means of a transfer – This function will be incorporated in the municipal administration.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote and functional area:

**Table 16 2018/19 Medium-term capital budget per vote**

Vote Description  R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Expenditure - Functional</b>									
<b>Governance and administration</b>	11 973	4 809	957	2 705	2 355	2 355	6 331	20 000	20 000
Executive and council			72		-	-	20		
Finance and administration	11 973	4 809	885	2 705	2 355	2 355	6 311	20 000	20 000
Internal audit									
<b>Community and public safety</b>	39 184	32 729	14 135	26 908	50 209	50 209	57 710	38 480	37 813
Community and social services	5 258	3 169	644	3 607	2 675	2 675	4 999	3 500	2 500
Sport and recreation	1 565	3 311	1 837	2 266	6 449	6 449	8 057	5 000	1 500
Public safety		264	996	3 848	3 195	3 195	9 186	500	-
Housing	32 361	25 985	10 658	17 186	37 890	37 890	35 467	29 480	33 813
Health							-	-	-
<b>Economic and environmental services</b>	6 300	13 226	13 279	7 460	13 996	13 996	18 821	4 000	2 000
Planning and development			1 540	45	45	45	5 725	-	-
Road transport	6 300	13 226	11 739	7 415	13 951	13 951	13 096	4 000	2 000
Environmental protection							-	-	-
<b>Trading services</b>	52 444	44 369	63 498	60 575	50 060	50 060	111 375	71 550	77 438
Energy sources	13 682	18 237	30 496	19 790	16 520	16 520	24 772	20 040	21 400
Water management	16 275	14 232	15 772	9 300	4 037	4 037	30 077	32 072	32 075
Waste water management	13 221	11 875	17 217	29 875	27 923	27 923	54 987	19 438	23 961
Waste management	9 267	25	12	1 610	1 580	1 580	1 540	-	-
<b>Other</b>							-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>109 902</b>	<b>95 133</b>	<b>111 108</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>

For 2018/19 an amount of R146,8m has been appropriated for the development of basic services infrastructure which represents 75,6 per cent of the total capital budget of R194,2m. In the outer years this amount totals R101m, 75,4 per cent and R111,2m, 81 per cent respectively for each of these financial years. Waste water infrastructure has the highest allocation at R55m in 2018/19 which equates to 28,3 per cent followed by Housing at 18,3 per cent, R35,5 million and then water at 15,4 per cent, R30m. Over the MTREF, capital housing grant expenditure relating to housing provision infrastructure, amounts to R98,8 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 25 MBRR A9 (Asset Management) on page 41. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c & e provides a detailed breakdown of the capital programme relating to new assets construction as well as operational repairs and maintenance by asset class (refer to pages 87 and 89). Some of the salient projects to be undertaken during 2018/19 includes, amongst others:

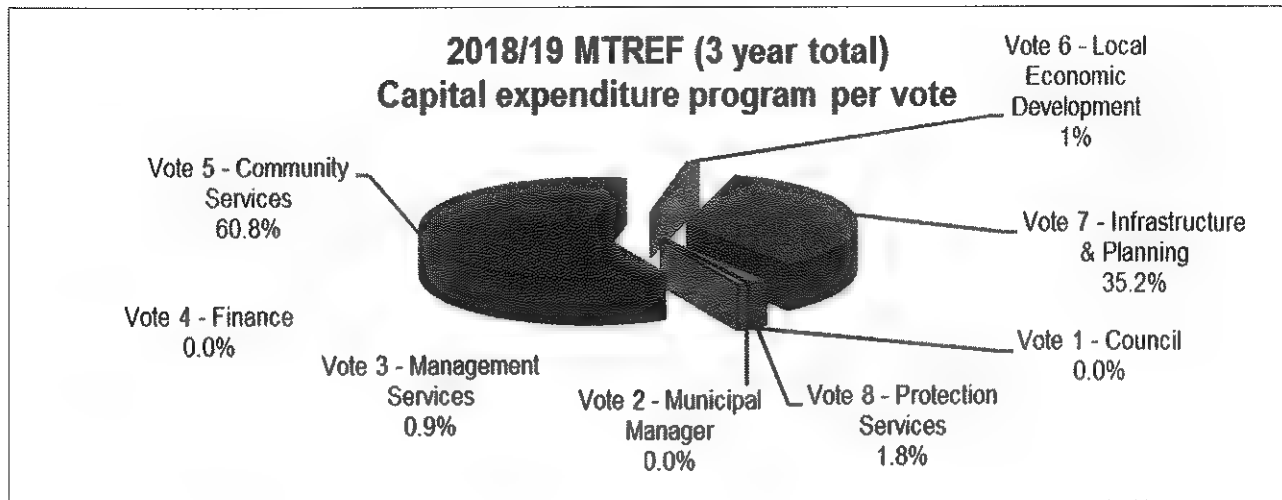
### Top 10 Capital Projects

Project Description	Ward	Amount
BLOMPARK PROJECT	Ward 02	16 313 461
WWTW UPGRADE - STANFORD	Ward 11	16 177 218
HERMANUS: MV & LV UPGRADE/REPLACEMENT	Ward 03	10 150 000
WATER MASTER PLAN IMPLEMENTATION	Overstrand	10 000 000
MASAKHANE	Ward 01	8 449 062
UPGRADE HERMANUS WELL FIELDS PHASE 1	Ward 04	7 000 000
NEW RESERVOIR FOR PRINGLE BAY	Ward 10	5 862 505
STANFORD IRDP	Ward 11	5 517 519
VEHICLES-SEWERAGE	Overstrand	5 050 000
HAWSTON INDUSTRIAL(BUSINESS) HUB	Ward 08	5 000 000



Furthermore, pages 92 to 95 and Annexure E contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent per vote over the MTREF.



**Figure 2 Capital Infrastructure Programme**

Proceeds of land sales received will be utilised to fund further capital projects in future years after consideration and prioritisation of projects.

#### **1.6.1 Future operational cost of new infrastructure**

An estimate has been included in Table 58 MBRR SA35 on page 91. Furthermore, a long term financial plan implementation policy has been developed to encompass costs over the long term. It needs to be noted that as part of the 2018/19 MTREF, this expenditure has been factored into the two outer years of the operational budget.

### **1.7 Annual Budget Tables**

The following section of the report presents the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2018/19 final budget and MTREF to be approved and/or noted by the Council. Each table is accompanied by *explanatory notes* on the facing page.



Table 17 MBRR Table A1 - Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	152 607	164 486	197 047	212 784	214 752	214 752	234 998	249 098	264 044
Service charges	521 423	573 118	624 577	577 648	586 148	586 148	613 718	650 464	689 427
Investment revenue	8 144	12 209	20 347	13 962	19 462	19 462	21 001	21 001	21 001
Transfers recognised - operational	60 473	103 829	114 411	113 688	129 217	129 217	130 566	167 058	162 087
Other own revenue	61 937	77 249	96 741	75 134	98 062	98 062	79 944	84 547	89 385
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>804 584</b>	<b>1 030 891</b>	<b>1 053 123</b>	<b>993 217</b>	<b>1 047 640</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>
Employee costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Remuneration of councillors	8 104	8 566	9 265	10 053	10 253	10 253	10 872	11 518	12 091
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Finance charges	43 447	46 207	45 913	47 440	47 440	47 440	47 834	50 433	52 064
Materials and bulk purchases	195 414	214 224	237 796	261 093	273 537	273 537	296 190	344 678	348 050
Transfers and grants	50 392	51 090	56 136	1 778	1 778	1 778	500	278	292
Other expenditure	234 390	220 166	264 199	253 926	259 737	259 737	281 361	306 744	309 046
<b>Total Expenditure</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 268 428</b>
<b>Surplus/(Deficit)</b>	<b>(119 542)</b>	<b>(7 036)</b>	<b>5 432</b>	<b>(44 584)</b>	<b>(4 556)</b>	<b>(4 556)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocations)	55 498	60 651	33 681	47 840	73 441	73 441	61 968	58 530	63 249
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
Transfers recognised - capital	55 734	60 651	41 774	47 840	73 436	73 436	62 088	58 530	63 249
Public contributions & donations	607	743	1 440	-	-	-	-	-	-
Borrowing	39 012	27 189	35 550	30 000	23 200	23 200	68 650	54 000	54 000
Internally generated funds	14 550	6 549	13 104	19 808	19 983	19 983	63 519	21 500	20 000
<b>Total sources of capital funds</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Financial position</b>									
Total current assets	220 542	307 820	410 829	352 438	519 961	519 961	523 717	549 028	557 949
Total non current assets	3 757 127	3 731 761	3 701 228	3 681 110	3 647 086	3 647 086	3 718 075	3 730 561	3 747 483
Total current liabilities	155 682	169 587	181 973	186 466	186 466	186 466	215 151	221 287	207 020
Total non current liabilities	602 191	611 666	629 633	638 205	638 205	638 205	673 454	701 922	710 257
Community wealth/Equity	3 219 796	3 258 328	3 300 451	3 208 877	3 342 376	3 342 376	3 353 187	3 356 380	3 388 155
<b>Cash flows</b>									
Net cash from (used) operating	119 478	160 551	182 651	123 839	165 237	165 237	175 190	132 544	126 946
Net cash from (used) investing	(101 315)	(99 253)	(93 891)	(103 656)	(45 810)	(45 810)	(201 351)	(141 359)	(144 817)
Net cash from (used) financing	23 666	8 496	(3 727)	2 810	3 218	3 218	23 944	19 824	15 808
<b>Cash/cash equivalents at the year end</b>	<b>104 987</b>	<b>174 790</b>	<b>259 814</b>	<b>214 936</b>	<b>382 460</b>	<b>382 460</b>	<b>380 242</b>	<b>391 251</b>	<b>389 188</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	128 136	204 521	297 796	258 358	425 881	425 881	430 789	449 137	454 648
Application of cash and investments	(9 214)	1 281	22 898	(1 010)	9 602	13 802	16 883	8 912	(12 108)
<b>Balance - surplus (shortfall)</b>	<b>137 349</b>	<b>203 239</b>	<b>274 898</b>	<b>259 368</b>	<b>416 279</b>	<b>412 079</b>	<b>413 906</b>	<b>440 225</b>	<b>466 755</b>
<b>Asset management</b>									
Asset register summary (WDV)	3 733 924	3 701 981	3 663 220	3 637 668	3 603 644	3 603 644	3 667 519	3 672 673	3 682 023
Depreciation	122 559	123 514	124 787	130 287	130 287	130 287	130 362	128 876	127 899
Renewal of Existing Assets	32 727	15 884	34 479	11 280	7 713	7 713	-	-	-
Repairs and Maintenance	158 026	109 377	120 795	169 284	191 235	191 235	225 212	239 512	252 118
<b>Free services</b>									
Cost of Free Basic Services provided	4 062	3 535	5 174	63 657	63 657	63 657	79 256	91 557	116 066
Revenue cost of free services provided	38 196	41 738	50 566	90 499	86 688	86 688	111 180	136 378	127 714
<b>Households below minimum service level</b>									
Water	-	-	-	-	-	-	-	-	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-

### Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's service delivery and commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and stable indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the cash increases over the MTREF.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.



**Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)**

Standard Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	236 294	275 519	315 623	262 300	293 947	293 947	296 029	312 713	330 858
Executive and council	52 212	61 961	74 405	21 759	21 759	21 759	25 110	27 147	29 991
Finance and administration	184 082	208 520	241 206	240 502	272 074	272 074	270 868	285 566	300 867
Internal audit	-	-	12	48	114	114	51	-	-
<i>Community and public safety</i>	49 167	70 859	54 775	59 370	93 932	93 932	81 447	110 586	96 321
Community and social services	5 334	3 184	11 609	9 557	8 603	8 603	7 413	10 209	10 734
Sport and recreation	7 939	9 743	10 371	10 558	10 258	10 258	13 000	17 186	14 413
Public safety	736	1 437	461	2 928	2 928	2 928	1 272	1 348	1 429
Housing	35 158	65 198	40 333	36 327	72 143	72 143	59 762	81 842	69 744
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	41 563	51 914	65 909	56 638	61 878	61 878	58 097	57 704	58 891
Planning and development	9 861	13 627	13 713	11 967	11 967	11 967	11 449	10 094	10 699
Road transport	31 684	38 278	52 187	44 650	49 890	49 890	46 648	47 610	48 191
Environmental protection	19	9	9	22	22	22	0	0	0
<i>Trading services</i>	533 058	595 050	650 498	662 740	671 325	671 325	706 624	749 696	803 123
Energy sources	289 929	334 747	363 310	370 050	370 410	370 410	395 354	422 870	448 613
Water management	109 654	118 583	136 174	130 926	131 026	131 026	133 327	143 633	154 133
Waste water management	76 614	78 088	84 636	91 423	97 978	97 978	101 333	101 244	112 737
Waste management	56 861	61 733	66 329	70 340	71 910	71 910	76 610	81 949	87 641
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>860 082</b>	<b>991 343</b>	<b>1 086 805</b>	<b>1 041 057</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 196</b>	<b>1 230 699</b>	<b>1 289 193</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	232 730	233 036	253 631	211 792	212 955	212 955	221 763	239 027	244 028
Executive and council	94 681	95 246	110 304	10 111	52 173	52 173	55 867	58 686	62 304
Finance and administration	138 069	137 790	141 426	150 293	158 331	158 331	162 952	177 316	178 525
Internal audit	-	-	1 901	2 548	2 451	2 451	2 944	3 044	3 200
<i>Community and public safety</i>	108 732	84 724	102 799	113 495	123 693	123 693	144 344	180 047	166 393
Community and social services	35 196	10 905	31 538	14 904	14 555	14 555	16 752	16 977	18 015
Sport and recreation	16 677	13 956	15 886	42 993	43 264	43 264	58 238	61 164	63 419
Public safety	24 212	24 688	34 493	30 817	32 333	32 333	38 381	43 180	42 309
Housing	32 647	15 175	20 832	24 781	33 541	33 541	30 974	58 726	42 650
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	128 949	185 614	217 152	193 013	191 471	191 471	196 571	204 572	210 646
Planning and development	23 230	63 258	75 344	36 431	37 001	37 001	40 059	39 850	41 788
Road transport	100 057	117 597	136 405	150 568	148 536	148 536	147 972	155 566	159 420
Environmental protection	5 662	4 758	5 402	6 014	5 934	5 934	8 540	9 157	9 438
<i>Trading services</i>	453 715	434 352	471 097	518 289	522 902	522 902	568 159	601 794	633 617
Energy sources	229 494	261 110	285 447	282 000	287 123	287 123	311 806	330 970	351 107
Water management	71 697	67 325	65 931	104 872	105 055	105 055	110 285	116 618	120 140
Waste water management	57 717	57 091	63 101	73 606	72 822	72 822	78 918	83 899	87 737
Waste management	94 806	78 826	56 618	56 813	57 903	57 903	67 150	70 307	74 632
<i>Other</i>	-	-	1 012	1 213	1 175	1 175	3 408	3 607	3 743
<b>Total Expenditure - Functional</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 891</b>	<b>1 037 291</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>38 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification) - mSCOA – Function/Sub Function**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per functional classification. The modified GFS functional classification, now Function/Sub Function, divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas, which enables National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised: capital) and so does not balance to the operating revenue shown on Table A4.



**Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>									
Vote 1 - Council	52 212	64 991	73 145	21 675	21 675	21 675	24 988	26 998	29 854
Vote 2 - Municipal Manager	-	-	12	40	114	114	51	-	-
Vote 3 - Management Services	1 692	3 065	2 031	184	195	195	584	604	626
Vote 4 - Finance	172 583	103 360	231 209	239 556	247 304	247 304	269 683	284 336	299 588
Vote 5 - Community Services	270 453	201 600	319 854	319 477	332 518	332 518	338 690	359 849	383 342
Vote 6 - Local Economic Development	3 389	3 471	3 556	3 900	2 900	2 900	2 226	300	300
Vote 7 - Infrastructure & Planning	335 381	400 632	414 612	414 615	474 784	474 784	464 077	514 204	528 413
Vote 8 - Protection Services	24 371	26 927	42 387	41 592	41 592	41 592	41 896	44 408	47 070
<b>Total Revenue by Vote</b>	<b>860 082</b>	<b>991 341</b>	<b>1 098 891</b>	<b>1 041 657</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 196</b>	<b>1 230 699</b>	<b>1 289 193</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	75 314	74 562	89 974	25 959	29 972	29 972	33 049	34 570	37 104
Vote 2 - Municipal Manager	3 903	4 094	3 922	5 000	4 892	4 892	5 467	5 649	5 885
Vote 3 - Management Services	36 148	38 242	40 697	50 326	48 545	48 545	52 776	56 228	58 108
Vote 4 - Finance	58 742	63 843	65 884	73 025	71 248	71 248	78 645	88 602	86 470
Vote 5 - Community Services	347 042	335 658	345 237	384 996	384 553	384 553	409 514	427 714	443 592
Vote 6 - Local Economic Development	10 226	8 905	10 220	10 076	9 995	9 995	11 752	10 439	10 873
Vote 7 - Infrastructure & Planning	339 813	356 481	411 814	407 638	421 918	421 918	456 531	513 013	523 213
Vote 8 - Protection Services	52 938	55 942	80 844	80 782	81 073	81 073	86 511	92 832	93 183
<b>Total Expenditure by Vote</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>7 856</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) – mSCOA – Own Segment**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per own segment: municipal vote (directorate). This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised: capital) and so does not balance to the operating revenue shown on Table A4.



Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

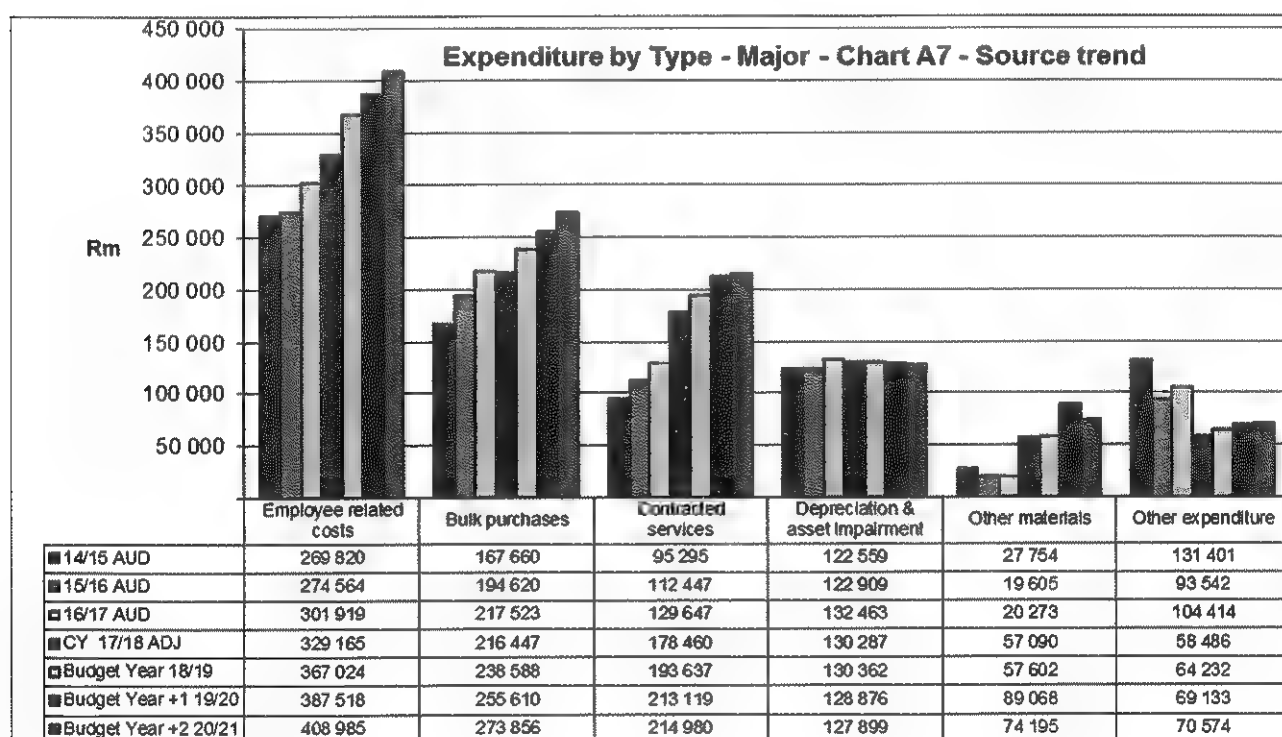
Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	152 607	164 800	197 047	212 784	214 752	214 752	234 998	249 098	264 044
Service charges - electricity revenue	287 754	324 800	355 454	339 270	339 270	339 270	362 784	384 507	407 545
Service charges - water revenue	108 318	114 179	123 005	114 494	117 120	117 120	116 781	123 754	131 147
Service charges - sanitation revenue	68 581	72 651	79 177	67 869	72 870	72 870	73 164	77 554	82 207
Service charges - refuse revenue	56 770	61 880	66 215	55 388	56 888	56 888	60 990	64 649	68 528
Service charges - other	-	-	667	647					
Rental of facilities and equipment	9 253	10 115	11 394	4 933	4 933	4 933	3 679	3 897	4 128
Interest earned - external investments	8 144	12 200	20 347	13 962	19 462	19 462	21 001	21 001	21 001
Interest earned - outstanding debtors	2 279	2 735	2 671	3 203	3 201	3 201	3 700	3 922	4 157
Dividends received									
Fines, penalties and forfeits	19 357	21 682	36 521	33 260	33 261	33 261	34 965	37 060	39 281
Licences and permits	1 972	2 423	2 525	2 374	2 374	2 374	2 447	2 593	2 749
Agency services	2 790	3 211	3 480	3 419	3 419	3 419	3 726	3 970	4 187
Transfers and subsidies	60 473	103 800	114 411	113 688	129 217	129 217	130 566	167 058	162 087
Other revenue	22 331	29 653	33 908	27 946	27 052	27 052	31 427	33 105	34 884
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>804 584</b>	<b>930 691</b>	<b>1 053 123</b>	<b>1 037 217</b>	<b>1 047 640</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>
<b>Expenditure By Type</b>									
Employee related costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Remuneration of councillors	8 104	8 586	9 265	10 053	10 253	10 253	10 972	11 518	12 091
Debt impairment	7 693	13 785	22 005	22 792	22 792	22 792	23 492	23 492	23 492
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Finance charges	43 447	46 207	45 913	47 440	47 440	47 440	47 834	50 433	52 084
Bulk purchases	167 660	194 620	217 523	211 447	216 447	216 447	238 589	255 610	273 859
Other materials	27 754	10 000	20 273	20 247	57 090	57 090	57 002	89 068	74 195
Contracted services	95 295	112 447	129 647	173 424	178 460	178 460	193 637	213 119	214 980
Transfers and subsidies	50 392	51 090	56 136	1 778	1 778	1 778	500	278	1002
Other expenditure	131 401	93 542	104 414	57 710	58 486	58 486	64 232	69 133	70 574
Loss on disposal of PPE	0	392	8 133						
<b>Total Expenditure</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit)</b>	<b>(119 542)</b>	<b>(7 036)</b>	<b>5 432</b>	<b>(44 584)</b>	<b>(4 556)</b>	<b>(4 556)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocation)	55 498	60 651	33 681	17 800	73 441	73 441	61 968	58 530	63 249
Transfers and subsidies - capital (monetary allocation)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Share of surplus/ (deficit) of associates									
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>





### Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total operating revenue is R1,047 billion in 2017/2018 and indicates an increase to R1,080 billion in 2018/19.
2. Revenue to be generated from property rates is R214,8 million in the 2017/2018 financial year and increases to R235 million by 2018/19 which represents 21,8 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R586,1 million for the 2017/2018 financial year and indicates an increase to R613,7 million by 2018/19. For the 2018/19 financial year services charges amount to 56,8 per cent of the operating revenue base.
4. Transfers recognised – operating grants includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.



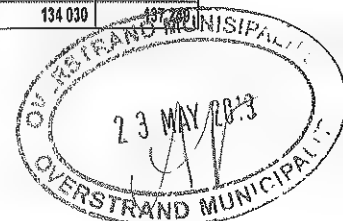
**Figure 3 Expenditure by major type**

6. Bulk purchases have significantly increased over the 2014/15 to 2020/21 period escalating from R167,7 million to R273,8 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom over the past years. The change in the trend for contracted services also relates to the reclassification of expenditure resulting from mSCOA implementation.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.



**Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source**

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	2 658	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	89 992	77 900	53 713	53 903	56 953	56 953	64 797	69 210	-
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	15 839	8 501	10 416	14 000	10 710	10 710	58 239	39 770	55 213
Vote 8 - Protection Services	-	-	-	-	-	-	500	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>108 489</b>	<b>26 401</b>	<b>84 289</b>	<b>59 963</b>	<b>67 663</b>	<b>67 663</b>	<b>123 536</b>	<b>108 980</b>	<b>55 213</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	20	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	1 413	3 848	72	1 410	1 290	1 290	4 086	-	-
Vote 4 - Finance	-	-	805	30	30	30	30	-	-
Vote 5 - Community Services	-	54 342	4 157	24 722	37 007	37 007	52 403	14 800	82 036
Vote 6 - Economic and Social Development & Tourism	-	-	-	25	25	25	5 625	-	-
Vote 7 - Infrastructure & Planning	-	10 248	1 540	7 420	7 410	7 410	1 100	9 750	-
Vote 8 - Protection Services	-	295	996	3 713	3 195	3 195	7 436	500	-
<b>Capital single-year expenditure sub-total</b>	<b>1 413</b>	<b>68 732</b>	<b>7 659</b>	<b>37 665</b>	<b>48 956</b>	<b>48 956</b>	<b>70 701</b>	<b>25 050</b>	<b>82 036</b>
<b>Total Capital Expenditure - Vote</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Capital Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>11 973</b>	<b>4 809</b>	<b>957</b>	<b>2 705</b>	<b>2 355</b>	<b>2 355</b>	<b>6 331</b>	<b>20 000</b>	<b>20 000</b>
Executive and council	-	-	72	-	-	-	20	-	-
Finance and administration	11 973	4 809	885	2 705	2 355	2 355	6 311	20 000	20 000
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>39 184</b>	<b>32 729</b>	<b>14 135</b>	<b>26 908</b>	<b>50 209</b>	<b>50 209</b>	<b>57 710</b>	<b>38 480</b>	<b>37 813</b>
Community and social services	5 258	3 169	3 441	3 607	2 675	2 675	4 999	3 500	2 500
Sport and recreation	1 585	3 311	1 837	2 266	6 449	6 449	8 057	5 000	1 500
Public safety	-	264	-	3 848	3 195	3 195	9 186	500	-
Housing	32 361	25 985	10 658	17 186	37 890	37 890	35 467	29 480	33 813
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>6 300</b>	<b>13 226</b>	<b>11 710</b>	<b>7 460</b>	<b>13 996</b>	<b>13 996</b>	<b>18 821</b>	<b>4 000</b>	<b>2 000</b>
Planning and development	-	-	1 540	45	45	45	5 725	-	-
Road transport	6 300	13 226	11 739	7 415	13 951	13 951	13 096	4 000	2 000
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>52 444</b>	<b>44 369</b>	<b>63 488</b>	<b>60 575</b>	<b>50 060</b>	<b>50 060</b>	<b>111 375</b>	<b>71 550</b>	<b>77 436</b>
Energy sources	13 682	18 237	30 496	19 790	16 520	16 520	24 772	20 040	21 400
Water management	16 275	14 232	15 772	9 300	4 037	4 037	30 077	32 072	32 075
Waste water management	13 221	11 875	17 217	29 875	27 923	27 923	54 987	19 438	23 981
Waste management	9 267	25	12	1 610	1 580	1 580	1 540	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Funded by:</b>									
National Government	22 884	31 647	25 530	26 330	26 330	26 330	25 901	29 050	29 436
Provincial Government	31 850	29 004	7 681	21 510	47 106	47 106	36 067	29 480	33 813
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	1 000	-	8 563	-	-	-	100	-	-
Transfers recognised - capital	55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
Public contributions & donations	607	743	1 440	-	-	-	-	-	-
Borrowing	39 012	27 189	35 550	30 000	23 200	23 200	68 650	54 000	54 000
Internally generated funds	14 550	6 549	13 104	19 808	19 983	19 983	63 519	21 500	20 000
<b>Total Capital Funding</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by functional classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital expenditure amounts to R194,2 million in 2018/19.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.
4. The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from previous year surpluses. For 2018/19, capital transfers total R62 million. Borrowing has been provided at R54 million, finance leases (nil) and internally generated funding totaling R63,5 million. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).
5. Rolled over borrowing amounts to R14,7m.



Table 22 MBRR Table A6 - Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	78 935	73 518	80 087	214 936	382 460	382 460	380 242	391 251	389 188
Call investment deposits	26 051	101 263	170 727	-	-	-	-	-	-
Consumer debtors	53 289	57 820	80 453	72 588	72 588	72 588	78 188	85 488	86 255
Other debtors	51 677	46 519	40 423	49 874	49 874	49 874	49 845	55 895	65 615
Current portion of long-term receivables	15	14	12	10	10	10	10	7	3
Inventory	10 575	21 006	44 126	15 030	15 030	15 030	15 432	16 388	16 888
<b>Total current assets</b>	<b>220 542</b>	<b>307 820</b>	<b>410 829</b>	<b>352 438</b>	<b>519 961</b>	<b>519 961</b>	<b>523 717</b>	<b>549 028</b>	<b>557 949</b>
<b>Non current assets</b>									
Long-term receivables	53	40	27	20	20	20	10	4	1
Investments	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
Investment property	144 823	153 892	155 259	152 550	101 865	101 865	101 865	101 865	101 865
Investment in Associate									
Property, plant and equipment	3 583 596	3 541 376	3 501 664	3 479 176	3 495 837	3 495 837	3 559 712	3 564 866	3 574 216
Agricultural									
Biological									
Intangible	5 506	6 713	6 287	5 942	5 942	5 942	5 942	5 942	5 942
Other non-current assets									
<b>Total non current assets</b>	<b>3 757 127</b>	<b>3 731 761</b>	<b>3 701 228</b>	<b>3 681 110</b>	<b>3 647 086</b>	<b>3 647 086</b>	<b>3 718 075</b>	<b>3 730 561</b>	<b>3 747 483</b>
<b>TOTAL ASSETS</b>	<b>3 977 669</b>	<b>4 039 581</b>	<b>4 112 057</b>	<b>4 033 548</b>	<b>4 167 047</b>	<b>4 167 047</b>	<b>4 241 792</b>	<b>4 279 589</b>	<b>4 305 432</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	23 620	26 492	37 440	33 047	33 047	33 047	38 428	41 636	46 330
Consumer deposits	41 743	43 943	37 039	49 215	49 215	49 215	53 152	57 404	60 848
Trade and other payables	66 379	72 707	87 011	73 773	73 773	73 773	87 052	83 537	65 648
Provisions	23 939	26 444	28 343	30 432	30 432	30 432	36 518	38 710	34 193
<b>Total current liabilities</b>	<b>155 682</b>	<b>169 587</b>	<b>181 973</b>	<b>186 466</b>	<b>186 466</b>	<b>186 466</b>	<b>215 151</b>	<b>221 287</b>	<b>207 020</b>
<b>Non current liabilities</b>									
Borrowing	408 964	412 402	412 495	409 052	409 052	409 052	423 677	436 040	443 710
Provisions	193 227	199 265	217 138	229 153	229 153	229 153	249 777	265 881	266 547
<b>Total non current liabilities</b>	<b>602 191</b>	<b>611 666</b>	<b>629 633</b>	<b>638 205</b>	<b>638 205</b>	<b>638 205</b>	<b>673 454</b>	<b>701 922</b>	<b>710 257</b>
<b>TOTAL LIABILITIES</b>	<b>757 873</b>	<b>781 253</b>	<b>811 606</b>	<b>824 671</b>	<b>824 671</b>	<b>824 671</b>	<b>888 605</b>	<b>923 209</b>	<b>917 277</b>
<b>NET ASSETS</b>	<b>3 219 796</b>	<b>3 258 328</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 342 376</b>	<b>3 342 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	3 217 225	3 256 152	3 297 200	3 206 436	3 339 936	3 339 936	3 349 887	3 353 040	3 384 805
Reserves	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 219 796</b>	<b>3 258 328</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 342 376</b>	<b>3 342 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>



## Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is largely aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 64 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
Receipts									
Property rates	152 186	162 962	195 733	211 275	213 247	213 247	233 454	247 086	263 832
Service charges	518 153	570 606	622 776	573 549	582 043	582 043	609 686	645 209	688 874
Other revenue	55 358	65 644	80 337	67 761	65 566	65 566	56 317	53 292	53 722
Government - operating	59 769	103 190	118 349	113 688	129 218	129 218	130 566	167 058	162 087
Government - capital	54 852	60 394	34 841	47 840	73 441	73 441	61 968	58 530	63 249
Interest	10 423	14 944	23 018	17 165	22 663	22 663	24 701	24 923	25 158
Dividends							-	-	-
Payments									
Suppliers and employees	(637 438)	(719 905)	(790 356)	(858 220)	(871 724)	(871 724)	(893 188)	(1 012 842)	(1 077 621)
Finance charges	(43 433)	(46 193)	(45 910)	(47 440)	(47 440)	(47 440)	(47 834)	(50 433)	(52 084)
Transfers and Grants	(50 392)	(51 090)	(56 136)	(1 778)	(1 778)	(1 778)	(500)	(278)	(292)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>119 478</b>	<b>160 551</b>	<b>182 651</b>	<b>123 839</b>	<b>165 237</b>	<b>165 237</b>	<b>175 190</b>	<b>132 544</b>	<b>126 946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Receipts									
Proceeds on disposal of PPE	13 552	845	2 943	-	76 818	76 818	-	-	-
Decrease (increase) in non-current debtors				-	-	-	-	-	-
Decrease (increase) other non-current receivables	15	15	15	11	11	11	10	10	7
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 980)	(6 019)	(6 019)	(6 019)	(7 124)	(7 339)	(7 575)
Payments									
Capital assets	(109 902)	(95 133)	(91 868)	(97 648)	(116 620)	(116 620)	(194 237)	(134 030)	(137 249)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(101 315)</b>	<b>(99 253)</b>	<b>(93 891)</b>	<b>(103 656)</b>	<b>(45 810)</b>	<b>(45 810)</b>	<b>(201 351)</b>	<b>(141 359)</b>	<b>(144 817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing	40 000	30 000	30 000	30 000	30 000	30 000	54 000	54 000	54 000
Increase (decrease) in consumer deposits	3 983	2 200	(6 904)	2 786	2 786	2 786	3 837	4 252	3 444
Payments									
Repayment of borrowing	(20 317)	(23 704)	(26 822)	(29 976)	(29 568)	(29 568)	(33 993)	(38 428)	(41 636)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>23 666</b>	<b>8 496</b>	<b>(3 727)</b>	<b>2 810</b>	<b>3 218</b>	<b>3 218</b>	<b>23 844</b>	<b>19 824</b>	<b>15 808</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>41 828</b>	<b>69 794</b>	<b>85 034</b>	<b>22 992</b>	<b>122 645</b>	<b>122 645</b>	<b>(2 217)</b>	<b>11 009</b>	<b>(2 063)</b>
Cash/cash equivalents at the year begin:	63 158	104 987	174 780	191 944	259 814	259 814	382 460	380 242	391 251
Cash/cash equivalents at the year end:	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 188



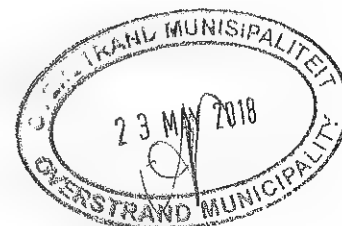
**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality remain steady over the 2018/2019 to 2020/21 period.
4. The 2018/19 MTREF has been informed by the planning principle of ensuring adequate cash over the medium-term.
5. Cash and cash equivalents totals R380,2 million as at the end of the 2018/2019 financial year and is estimated to increase to R389,2 million by 2020/21.



Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	104 987	174 780	259 114	214 936	382 460	382 460	380 242	391 251	389 188
Other current investments > 90 days	-	-	-	-	-	-	(0)	(0)	0
Non current assets - Investments	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
<b>Cash and investments available:</b>	<b>128 136</b>	<b>204 521</b>	<b>297 096</b>	<b>258 358</b>	<b>425 881</b>	<b>425 881</b>	<b>430 789</b>	<b>449 137</b>	<b>454 648</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 076	1 380	6 476	-	-	-	-	-	-
Unspent borrowing	2 800	-	-	-	10 450	14 650	-	-	-
Statutory requirements									
Other working capital requirements	(39 810)	(32 015)	(24 811)	(46 872)	(46 710)	(46 710)	(36 964)	(52 314)	(80 918)
Other provisions									
Long term investments committed	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
Reserves to be backed by cash/investments	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
<b>Total Application of cash and investments:</b>	<b>(9 214)</b>	<b>1 281</b>	<b>22 898</b>	<b>(1 010)</b>	<b>9 602</b>	<b>13 802</b>	<b>16 883</b>	<b>8 912</b>	<b>(12 108)</b>
<b>Surplus(shortfall)</b>	<b>137 349</b>	<b>203 239</b>	<b>274 198</b>	<b>259 368</b>	<b>416 279</b>	<b>412 079</b>	<b>413 906</b>	<b>440 225</b>	<b>466 755</b>





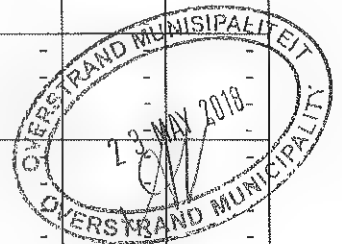
**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. As part of the budgeting and planning guidelines that informs the compilation of the 2018/19 MTREF the end objective of the medium-term framework is to ensure the budget is funded and aligned to section 18 of the MFMA.
5. As can be seen the budget has been modelled to ensure that the budget is funded.



Table 25 MBRR Table A9 - Asset Management

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>77 176</b>	<b>79 249</b>	<b>57 389</b>	<b>54 626</b>	<b>78 867</b>	<b>78 867</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
Roads Infrastructure	1 320	16 352	2 260	5 155	11 691	11 691	12 506	4 000	2 000
Storm water Infrastructure	-	-	-	250	280	280	11 723	2 038	4 000
Electrical Infrastructure	10 581	18 237	30 496	18 790	15 520	15 520	22 772	20 040	21 400
Water Supply Infrastructure	470	3 772	5 276	3 900	637	637	30 077	32 072	32 075
Sanitation Infrastructure	8 833	6 217	5 718	-	-	-	34 973	17 400	19 961
Solid Waste Infrastructure	42 473	25	8 930	110	110	110	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>63 679</b>	<b>44 603</b>	<b>52 681</b>	<b>28 285</b>	<b>28 238</b>	<b>28 238</b>	<b>112 050</b>	<b>75 550</b>	<b>79 436</b>
Community Facilities	5 258	29 837	2 212	4 579	3 380	3 380	16 380	4 000	2 500
Sport and Recreation Facilities	-	-	-	1 966	6 449	6 449	7 657	5 000	1 500
<b>Community Assets</b>	<b>5 258</b>	<b>29 837</b>	<b>2 212</b>	<b>6 545</b>	<b>9 829</b>	<b>9 829</b>	<b>24 037</b>	<b>9 000</b>	<b>4 000</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	8 239	4 809	2 497	-	-	-	1 421	-	-
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
<b>Other Assets</b>	<b>8 239</b>	<b>4 809</b>	<b>2 497</b>	<b>17 186</b>	<b>37 890</b>	<b>37 890</b>	<b>36 888</b>	<b>29 480</b>	<b>33 813</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	1 620	1 620	1 620	4 136	-	-
Furniture and Office Equipment	-	-	-	120	120	120	216	-	-
Machinery and Equipment	-	-	-	-	570	570	1 566	-	-
Transport Assets	-	-	-	958	600	600	15 345	20 000	20 000
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>32 727</b>	<b>15 884</b>	<b>34 479</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
Roads Infrastructure	6 300	-	11 609	2 080	2 080	2 080	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	3 100	-	-	1 000	1 000	1 000	-	-	-
Water Supply Infrastructure	15 805	10 460	10 496	900	900	900	-	-	-
Sanitation Infrastructure	3 067	2 531	9 169	5 800	2 263	2 263	-	-	-
Solid Waste Infrastructure	2 889	-	1 740	1 500	1 470	1 470	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>31 161</b>	<b>12 992</b>	<b>33 214</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities	1 565	2 893	1 265	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>1 565</b>	<b>2 893</b>	<b>1 265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-

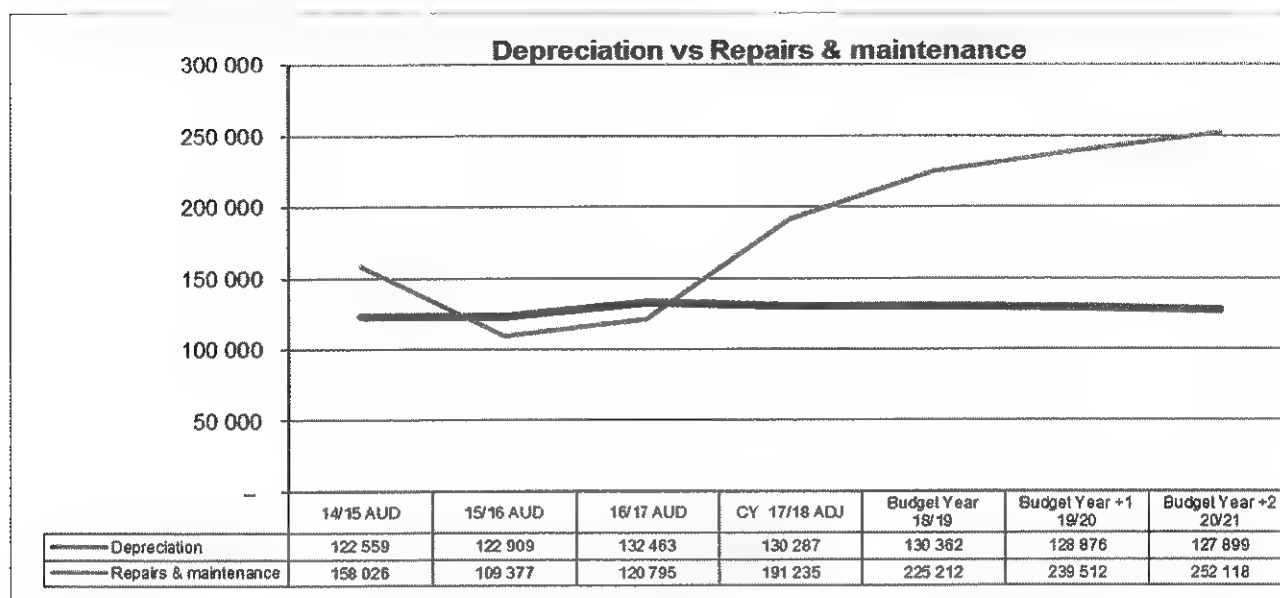


Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Total Upgrading of Existing Assets</b>	-	-	-	31 742	30 040	30 040	-	-	-
Roads Infrastructure	-	-	-	180	180	180	-	-	-
Storm water Infrastructure	-	-	-	6 800	8 355	8 355	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	4 500	2 500	2 500	-	-	-
Sanitation Infrastructure	-	-	-	17 025	17 025	17 025	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	28 505	28 060	28 060	-	-	-
Community Facilities	-	-	-	2 877	1 920	1 920	-	-	-
Sport and Recreation Facilities	-	-	-	300	-	-	-	-	-
<b>Community Assets</b>	-	-	-	3 177	1 920	1 920	-	-	-
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	60	60	60	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	60	60	60	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	-	-	-	-	-	-	-	-	-
Roads Infrastructure	7 621	16 352	14 069	7 415	13 951	13 951	12 506	4 000	2 000
Storm water Infrastructure	-	-	-	7 050	8 635	8 635	11 723	2 038	4 000
Electrical Infrastructure	13 682	18 237	30 496	19 790	16 520	16 520	22 772	20 040	21 400
Water Supply Infrastructure	16 275	14 232	15 772	9 300	4 037	4 037	30 077	32 072	32 075
Sanitation Infrastructure	11 901	8 748	14 687	22 825	19 288	19 288	34 973	17 400	19 961
Solid Waste Infrastructure	45 362	25	10 670	1 610	1 580	1 580	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	94 840	57 595	85 895	67 990	64 011	64 011	112 050	75 550	79 438
Community Facilities	6 823	32 729	3 477	7 455	5 300	5 300	16 380	4 000	2 500
Sport and Recreation Facilities	-	-	-	2 266	6 449	6 449	7 667	5 000	1 500
<b>Community Assets</b>	6 823	32 729	3 477	9 721	11 749	11 749	24 037	9 000	4 000
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	8 239	4 809	2 497	60	60	60	1 421	-	-
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
<b>Other Assets</b>	8 239	4 809	2 497	17 246	37 950	37 950	36 888	29 480	33 813
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	1 620	1 620	1 620	1 413	-	-
Furniture and Office Equipment	-	-	-	120	120	120	120	-	-
Machinery and Equipment	-	-	-	-	570	570	1 566	-	-
Transport Assets	-	-	-	950	600	600	15 345	20 000	20 000
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>109 902</b>	<b>95 133</b>	<b>91 468</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Roads Infrastructure	1 268 078	1 267 105	1 239 685	1 217 699	1 225 820	1 225 820	1 211 279	1 178 550	1 146 171
Storm water Infrastructure									
Electrical Infrastructure	538 590	533 176	534 761	528 140	524 870	524 870	522 493	517 384	513 635
Water Supply Infrastructure	527 212	518 431	505 838	494 283	489 020	489 020	491 635	496 284	501 086
Sanitation Infrastructure	379 316	378 863	376 119	384 300	380 763	380 763	399 436	400 426	404 044
Solid Waste Infrastructure	43 182	29 768	35 559	31 962	31 932	31 932	27 169	24 941	22 763
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
<b>Infrastructure</b>	<b>2 756 378</b>	<b>2 727 341</b>	<b>2 691 953</b>	<b>2 656 384</b>	<b>2 652 405</b>	<b>2 652 405</b>	<b>2 652 012</b>	<b>2 617 566</b>	<b>2 587 899</b>
Community Facilities									
Sport and Recreation Facilities									
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>
Revenue Generating									
Non-revenue Generating	144 823	153 892	155 269	152 550	101 865	101 865	101 865	101 865	101 865
<b>Investment properties</b>	<b>144 823</b>	<b>153 892</b>	<b>155 269</b>	<b>152 550</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>
Operational Buildings	636 129	628 734	626 854	681 424	682 274	682 274	637 208	634 181	626 143
Housing				17 186	36 977	36 977	72 444	101 924	135 737
<b>Other Assets</b>	<b>636 129</b>	<b>628 734</b>	<b>626 854</b>	<b>698 610</b>	<b>719 251</b>	<b>719 251</b>	<b>709 652</b>	<b>736 105</b>	<b>761 880</b>
<b>Biological or Cultivated Assets</b>									
Servitudes									
Licences and Rights	5 506	6 713	6 287	5 942	5 942	5 942	5 942	5 942	5 942
<b>Intangible Assets</b>	<b>5 506</b>	<b>6 713</b>	<b>6 287</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>
Computer Equipment									
Furniture and Office Equipment	13 439	11 794	11 600				10 285	8 948	6 895
Machinery and Equipment	4 878	3 518	3 763				6 778	3 893	3 893
Transport Assets	48 591	44 254	44 254				56 822	74 072	91 382
Libraries									
Zoo's, Marine and Non-biological Animals									
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 733 924</b>	<b>3 701 981</b>	<b>3 663 220</b>	<b>3 637 668</b>	<b>3 603 844</b>	<b>3 603 644</b>	<b>3 687 519</b>	<b>3 672 873</b>	<b>3 682 023</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation</b>	<b>122 559</b>	<b>122 909</b>	<b>132 463</b>	<b>130 287</b>	<b>130 287</b>	<b>130 287</b>	<b>130 382</b>	<b>128 876</b>	<b>127 899</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>158 026</b>	<b>169 377</b>	<b>120 795</b>	<b>169 284</b>	<b>181 235</b>	<b>181 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>
Roads Infrastructure	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	66 506
Storm water Infrastructure	5 398	5 260	6 392	6 168	6 168	6 168	6 788	7 979	8 462
Electrical Infrastructure	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 096	26 511
Water Supply Infrastructure	26 811	18 056	16 489	17 549	17 549	17 549	19 104	20 590	21 717
Sanitation Infrastructure	16 080	11 512	11 672	16 500	16 525	16 525	13 842	14 533	15 378
Solid Waste Infrastructure	2 136	2 516	2 546	8 879	15 201	15 201	23 038	28 484	28 619
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>138 009</b>	<b>99 836</b>	<b>110 392</b>	<b>132 746</b>	<b>139 160</b>	<b>139 160</b>	<b>149 890</b>	<b>161 188</b>	<b>170 275</b>
Community Facilities	6 601	-	4 667	5 895	7 327	7 327	27 714	29 689	31 232
Sport and Recreation Facilities	737	-	-	4 654	6 471	6 471	13 304	13 956	14 488
<b>Community Assets</b>	<b>7 338</b>	<b>-</b>	<b>4 667</b>	<b>10 549</b>	<b>13 798</b>	<b>13 798</b>	<b>41 017</b>	<b>43 625</b>	<b>45 700</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Housing	177	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>10 287</b>	<b>9 541</b>	<b>-</b>	<b>6 942</b>	<b>9 202</b>	<b>9 202</b>	<b>12 497</b>	<b>11 283</b>	<b>11 869</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	4 392	-	5 536	5 384	5 787	5 787	5 387	5 937	5 984
Furniture and Office Equipment	-	-	-	13 663	23 288	23 288	15 622	15 622	15 622
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>280 585</b>	<b>232 287</b>	<b>253 258</b>	<b>299 570</b>	<b>321 521</b>	<b>321 521</b>	<b>355 972</b>	<b>368 386</b>	<b>380 017</b>
<b>Renewal and upgrading of Existing Assets as % of to</b>	<b>29.8%</b>	<b>16.7%</b>	<b>37.5%</b>	<b>44.1%</b>	<b>32.4%</b>	<b>32.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Renewal and upgrading of Existing Assets as % of de</b>	<b>26.7%</b>	<b>12.9%</b>	<b>27.6%</b>	<b>33.0%</b>	<b>29.0%</b>	<b>29.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>R&amp;M as a % of PPE</b>	<b>4.4%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>7.1%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>	<b>5.0%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>7.0%</b>	<b>7.0%</b>

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal/upgrading of existing assets, as well as spending on repairs and maintenance by asset class.
2. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF.



**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**



Table 26 MBRR Table A10 - Basic Service Delivery Measurement

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	32 071	32 544	34 449	29 329	29 329	29 329	30 209	31 115	32 049
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	156	156
Using public tap (at least min. service level)	3 144	3 106	3 067	2 817	2 817	2 817	2 817	2 861	2 861
Other water supply (at least min. service level)	-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>	<b>35 215</b>	<b>35 650</b>	<b>37 516</b>	<b>32 146</b>	<b>32 146</b>	<b>32 146</b>	<b>33 026</b>	<b>33 932</b>	<b>34 866</b>
Using public tap (< min. service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min. service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of households</b>	<b>35 215</b>	<b>35 650</b>	<b>37 516</b>	<b>32 146</b>	<b>32 146</b>	<b>32 146</b>	<b>33 026</b>	<b>33 932</b>	<b>34 866</b>
<b>Sanitation/sewerage:</b>									
Flush toilet (connected to sewerage)	28 183	28 183	28 841	28 841	28 841	28 841	29 708	30 597	31 515
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min. service level)	-	-	-	-	-	-	-	-	-
<b>Minimum Service Level and Above sub-total</b>	<b>31 202</b>	<b>28 183</b>	<b>28 841</b>	<b>28 841</b>	<b>28 841</b>	<b>28 841</b>	<b>29 708</b>	<b>30 597</b>	<b>31 515</b>
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min. service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of households</b>	<b>31 202</b>	<b>28 183</b>	<b>28 841</b>	<b>28 841</b>	<b>28 841</b>	<b>28 841</b>	<b>29 708</b>	<b>30 597</b>	<b>31 515</b>
<b>Energy:</b>									
Electricity (at least min. service level)	6 625	6 565	6 356	5 653	5 653	5 653	5 370	5 102	4 834
Electricity - prepaid (min. service level)	18 370	17 810	18 630	20 935	20 935	20 935	22 191	23 522	24 653
<b>Minimum Service Level and Above sub-total</b>	<b>25 004</b>	<b>24 375</b>	<b>24 986</b>	<b>26 588</b>	<b>26 588</b>	<b>26 588</b>	<b>27 561</b>	<b>28 624</b>	<b>29 687</b>
Electricity (< min. service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	1 000	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of households</b>	<b>26 004</b>	<b>24 375</b>	<b>24 986</b>	<b>26 588</b>	<b>26 588</b>	<b>26 588</b>	<b>27 561</b>	<b>28 624</b>	<b>29 687</b>
<b>Refuse:</b>									
Removed at least once a week	32 697	31 132	32 029	32 029	32 029	32 029	32 990	33 980	34 999
<b>Minimum Service Level and Above sub-total</b>	<b>32 697</b>	<b>31 132</b>	<b>32 029</b>	<b>32 029</b>	<b>32 029</b>	<b>32 029</b>	<b>32 990</b>	<b>33 980</b>	<b>34 999</b>
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<b>Below Minimum Service Level sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of households</b>	<b>32 697</b>	<b>31 132</b>	<b>32 029</b>	<b>32 029</b>	<b>32 029</b>	<b>32 029</b>	<b>32 990</b>	<b>33 980</b>	<b>34 999</b>
<b>Households receiving Free Basic Service</b>									
Water (6 kilolitres per household per month)	6 923	7 297	-	7 500	7 500	7 500	7 400	8 261	9 907
Sanitation (free minimum level service)	6 923	7 297	-	7 500	7 500	7 500	7 400	8 261	9 907
Electricity/other energy (50kwh per household per month)	6 923	7 297	-	7 500	7 500	7 500	7 400	8 261	9 907
Refuse (removed at least once a week)	6 923	7 297	-	7 500	7 500	7 500	7 400	8 261	9 907
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>									
Water (6 kilolitres per indigent household per month)	1 240	1 320	1 726	11 060	11 060	11 060	14 812	16 880	21 399
Sanitation (free sanitation service to indigent households)	-	-	-	10 776	10 776	10 776	15 897	18 134	22 888
Electricity/other energy (50kwh per indigent household per month)	2 822	2 215	3 448	27 867	27 867	27 867	33 723	38 958	49 388
Refuse (removed once a week for indigent households)	-	-	-	13 954	13 954	13 954	15 223	17 568	22 293
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>									
<b>Total cost of FBS provided</b>	<b>4 062</b>	<b>3 535</b>	<b>5 174</b>	<b>63 657</b>	<b>63 657</b>	<b>63 657</b>	<b>79 256</b>	<b>91 557</b>	<b>116 068</b>
<b>Highest level of free service provided per household</b>									
Property rates (R value threshold)	100 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	61	65	73	73	73	73	78	82	87
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210	210
<b>Revenue cost of subsidised services provided (R'000)</b>									
Property rates (brill adjustment) (impermissible values per section 17 of	1 785	1 947	2 135	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible	-	-	-	-	-	-	-	-	-
values in excess of section 17 of MPRA)	36 411	39 791	48 431	51 711	51 711	51 711	50 983	54 042	57 285
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	2 276	2 276	2 276	179	449	1 015
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	271	271	271	346	419	419
Electricity/other energy (in excess of 50 kwh per indigent household per mo	-	-	-	1 657	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	858	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing top structure subsidies	-	-	-	33 727	29 916	29 916	59 100	81 140	69 000
Other	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>38 196</b>	<b>41 738</b>	<b>50 566</b>	<b>90 499</b>	<b>84 174</b>	<b>84 174</b>	<b>111 180</b>	<b>136 378</b>	<b>127 714</b>

The Figures for households above, relating to household service targets, includes both formal and informal households.

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. Good progress is being made with the eradication of current services backlogs. Housing remains a challenge.
  - a. Electricity services – the current backlog has provisionally been eliminated.
3. The budget provides for 7 400 households to be registered as indigent in 2018/19, and therefore entitled to receiving Free Basic Services. The number is set to increase over the MTREF, especially by poor people seeking economic opportunities.
4. It is anticipated that the cost of these Free Basic Services will amount to R79,3 million in 2018/19. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, other rates rebates also apply to households.





## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Full-time Councillors, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to prepare the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 30 August 2017. Key dates applicable to the process were:

- **July 2017** – Budget Office submits current 3 year Capital Budget to the Strategic Office. Review status of Samras Budget Portal functionality and MTREF budget information;
- **August 2017** – Ward Committee meetings to review current needs on the wish list;
- **September 2017** – Mayoral strategic session with Councillors and Senior Management to determine Strategic direction for the 2018/2019 IDP review;
- **September/October 2017** – Extensive public participation IDP consultation sessions were held in each of the thirteen wards, which included members of the public, the ward committees and other broader stakeholders (service organisations, etc.), to provide feedback on IDP delivery gather information on the "community needs" per ward;
- **2 October 2017** – Top management meeting to discuss budget proposals and affordability;
- **25 October 2017** – Mayoral directional IDP/Budget speech;
- **October/December 2017** – Various Budget Steering Committee and Management meetings relating to draft Capex and Opex budgets;
- **November 2017** – Submission of tariff proposals and tariff workshops;
- **November 2017** – Workshop on tariffs and tariff related policies;
- **November/December 2017** – Review of all budget related policies;
- **December 2017** – Mid-year review by the BSC of the 2017/2018 progress and review of 2017-2021 draft operational expenditure including financial forecasting and scenario considerations;
- **January 2018** – Tariff finalisation, consider budget related policies changes and overview of draft 2018/2019 Capex & Opex;
- **24 January 2018** – Council considered the 2018/2018 Mid-year Review;



- **30 January 2018** – Final tariffs and adjustments budget review;
- **5 February 2018** – Pre BSC – TMT review/finalises draft Capex/Opex;
- **6-20 February 2018** – Finalisation of adjustments budget;
- **12 February 2018** – BSC – Finalise Draft Capex & Opex;
- **20 February 2018** – OMAF Consultation & Budget Proposals;
- **March 2018** – Budget office finalises budget report;
- **28 March 2018** - Tabling in Council of the draft 2018/19 IDP, SDBIP and 2018/19 MTREF for public consultation;
- **29 March – 30 April 2018** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **3-26 April 2018** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **30 April 2018** - Closing date for written comments;
- **2 May 2018** – LG MTEC3 engagement;
- **4 May 2018** – BSC considers all comments received and amendments to the Draft Budget;
- **5-17 May 2018** – finalisation of the 2018/19 IDP and 2018/19 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **5-17 May 2018** – Budget Office compiles final report and schedules;
- **7-17 May 2018** – Final review of budget report and schedules;
- **24 May 2018** – Final budget distribution; and
- **30 May 2018** - Tabling of the 2018/19 MTREF in Council for consideration and approval.

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the first review of the latest new generation IDP (2018/2022) to be considered and adopted by Council in May 2018. The draft IDP process started in September 2017 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF in August 2017.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the Draft IDP cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans with key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP was taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/2018 MTREF, mid-year review and adjustments budget. The business planning process was subsequently refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/2018 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 2.1.3 Financial Modelling and Key Planning Drivers

Strategic objectives of the compilation of the 2018/19 MTREF include the undertaking of extensive financial modelling to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate (trends, inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/2018 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 & 91 was taken into consideration in the planning and prioritisation process.

**Cost containment has already been implemented across the organisation over the past three years.**

### 2.1.4 Community Consultation on the Draft Budget

The draft 2018/19 MTREF, was be tabled in Council on 28 March 2018 and made available to the community as follows:

Copies of the document were available for viewing at:

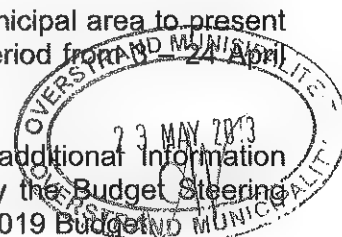
- At the offices of all Area Managers
- All public libraries within the municipality
- At the website: [www.overstrand.gov.za](http://www.overstrand.gov.za)

The tabling of the draft budget was advertised in all local newspapers and a copy of the advertisement was placed on the notice boards at municipal offices and libraries. All documents in the appropriate format (electronic and printed) were provided to National Treasury and Provincial Treasury in accordance with section 23 of the MFMA, to provide an opportunity for comment.

A delegation of the municipality, consisting of the Executive Mayor, MMC for Finance, other full time Councillors, Municipal Manager and Area Managers, all Directors and officials from the Budget Office and Strategic Planning Office, held public meetings in the municipal area to present the draft budget to the community. Public meetings were held during the period from 24 April 2018.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects was considered by the Budget Steering Committee at a meeting held on 3 May 2018 for the finalisation of the 2018/2019 Budget.

Comments from the community and the municipality's responses thereto are included in this report as Annexure J.



## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this new five year IDP cycle is to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2015 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes; and
- National Development Plan

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:



**Table 27 IDP Strategic Objectives**

<b>2018/19 MTREF</b>
The provision of democratic, accountable and ethical governance
The provision and maintenance of municipal services
The encouragement of structured community participation in the matters of the municipality
The creation and maintenance of a safe and healthy environment
The promotion of tourism, economic and social development

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

- Provide electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide municipality planning services; and
- Maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the Municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Extending waste removal services and ensuring effective municipality cleansing;
- Ensuring all waste water treatment works are operating optimally;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and



- Implementing Batho Pele in the revenue management strategy.

Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure maintenance strategy and the repairs and maintenance plan

Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organisational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP of the 2018/2022 cycle, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2018/19 MTREF has therefore been directly informed by the 1<sup>st</sup> review of the 2018/2022 IDP process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



**Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	280 413	334 121	315 623	262 309	293 947	293 947	286 029	312 713	330 858
The provision and maintenance of municipal services	Basic Service Delivery	2	530 543	587 907	650 498	662 740	671 325	671 325	706 624	749 686	803 123
The encouragement of structured community participation in the matters of the municipality	Good Governance	3									
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	31 198	37 676	54 775	59 370	93 932	93 932	81 447	110 586	96 321
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	17 928	21 639	65 909	56 638	61 878	61 878	58 097	57 704	58 891
			860 082	1 003 343	1 086 805	1 041 057	1 121 081	1 121 081	1 142 196	1 230 699	1 289 193

**Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	293 362	324 676	251 838	208 841	211 213	211 213	221 763	239 027	244 029
The provision and maintenance of municipal services	Basic Service Delivery	2	466 577	384 960	471 097	518 289	622 902	522 902	568 159	801 794	633 617
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	1 443	1 835	1 793	2 951	1 742	1 742	1 270	1 400	1 800
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	52 938	71 285	102 799	113 495	123 693	123 693	144 344	180 047	166 393
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	108 806	155 072	220 164	194 226	192 646	192 646	198 708	206 779	212 789
Total Expenditure			924 126	937 727	1 047 691	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428

**Table 30 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	2 526	4 929	957	2 705	2 355	2 355	6 331	20 000	20 000
The provision and maintenance of municipal services	Basic Service Delivery	2	52 449	57 595	63 498	60 575	50 060	50 060	111 375	71 550	77 436
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	5 580	6 480	3 729	3 458	3 491	3 491	5 250	5 230	5 230
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		264	10 406	23 450	46 718	46 718	52 460	33 250	32 583
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	49 347	25 865	13 279	7 460	13 996	13 996	18 821	4 000	2 000
Total Capital Expenditure			109 902	95 133	91 868	97 648	116 620	116 620	194 237	134 030	137 249

## 2.3 Measurable performance objectives and indicators

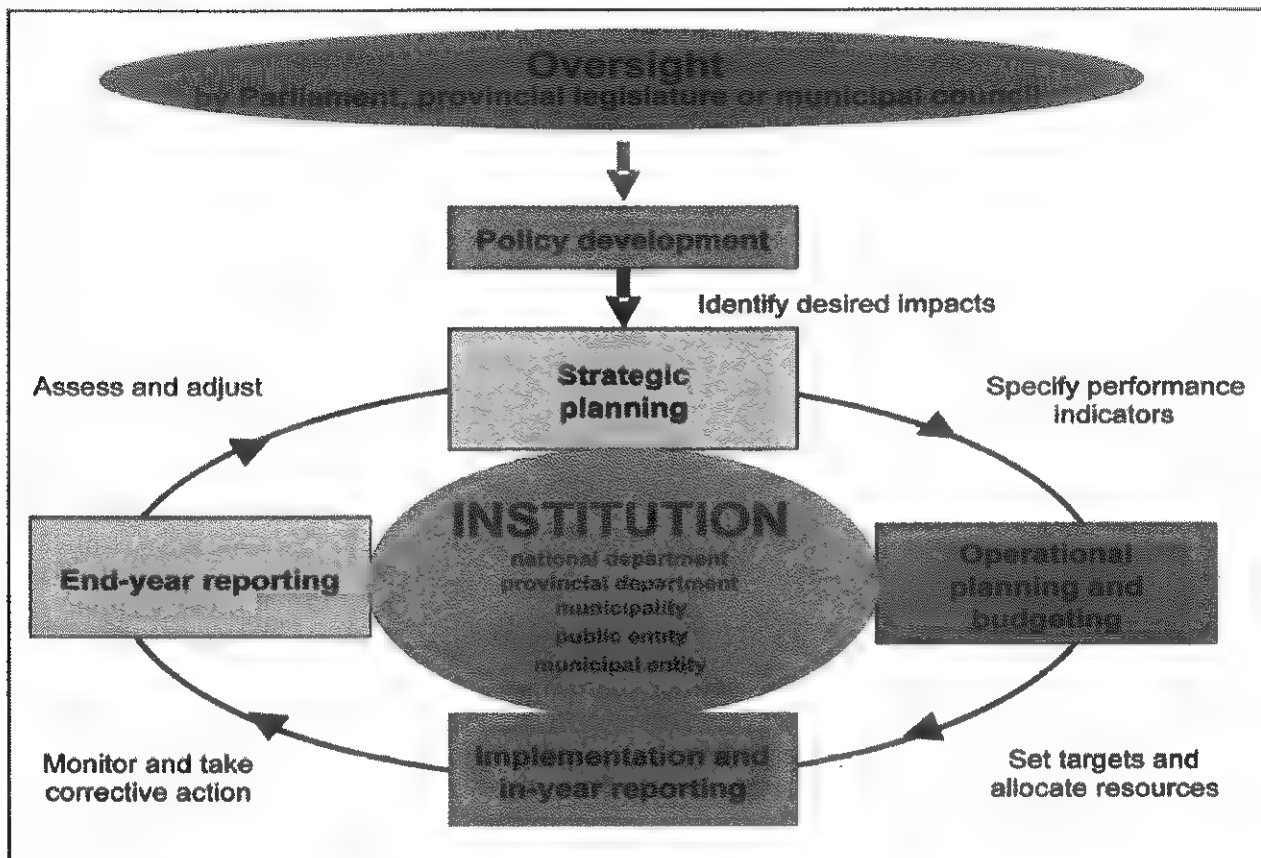
Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process





unfolds. The Municipality does targets, monitor, assess and review organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



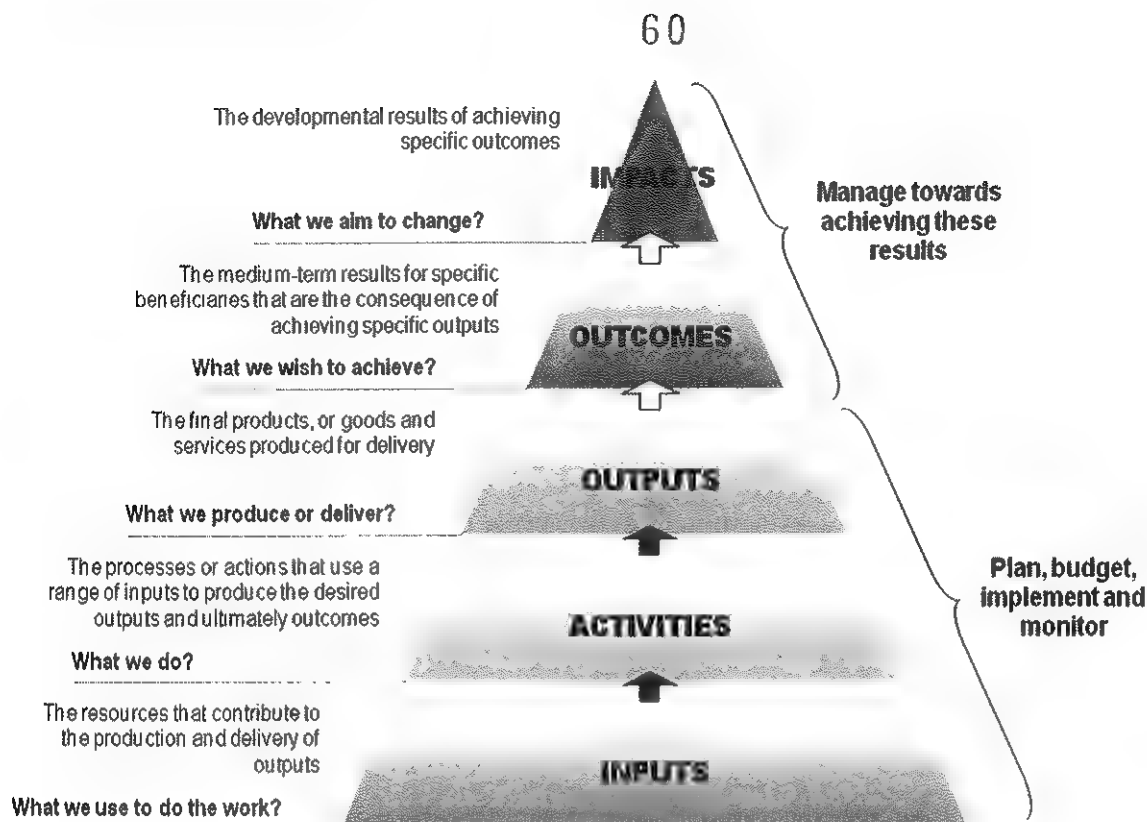
**Figure 5 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:





**Figure 6 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 31 MBRR Table SA7 - Measurable performance objectives**

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Vote 1 - vote name</b> <b>Council and Municipal Manager</b> <b>Municipal Manager</b>										
	% of capital budget spent	88.2%	92.0%	98.0%	95.0%		95.0%	95.0%	95.0%	95.0%
Percentage of a municipality's capital budget actually spent on capital projects identified for 2018/19 in terms of the municipality's IDP. ((Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects)X100)										
Sign section 56 performance agreements with all directors by the end of July 2018	Number of agreements signed	no lpi set	no lpi set	6	6		6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit quarterly progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	no lpi set	no lpi set	4	4		4	4	4	4
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2018 to be completed by Sept 2018 and the current period October to December 2018 to be completed by February 2019.	Number of appraisals	no lpi set	no lpi set	12	12		12	12	12	12
Submit the final Annual report and oversight report of Council before 31 March 2019	Final Annual report and oversight report completed	no lpi set	no lpi set	1	1		1	1		
Prepare the final IDP for submission to Council by the end of May 2019	Final IDP submitted	no lpi set	no lpi set	1	1		1			
Draft the annual report and submit to the Auditor-General by the end of August 2018	Draft Annual report completed	no lpi set	no lpi set	1	1		1			
Submit the Final MTREF budget by the end of May 2019	Budget submitted	no lpi set	no lpi set	1	1		1	1		

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Actual 2014/15	Actual 2015/16	Actual 2016/17	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Management Services</b>										
<b>Director: Management Services</b>										
<b>Human Resources</b>										
92% of the approved and funded organogram filled (actual number of posts filled divided by the funded posts budgeted) x 100)	% filled	92.31%	92.8%	89.0%	92%		92.0%	92.0%	92.0%	92.0%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	60	62	63	60	65	65	66	66	66
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100.0%	100.0%	99.5%	100%		100%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June 2019	Structure reviewed	1	1	1	1		1	1	1	1
<b>Corporate Support Services</b>										
Revise the Section 14 Access to Information Manual by the end of June 2019 to ensure compliant and up to date policies	Manual revised	1	1	1	1		1	1	1	1
<b>Risk Management</b>										
Submit progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	4	4	3	4		4	4	4	4
<b>Finance</b>										
<b>Director: Finance</b>										
<b>Director Finance</b>										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ Investments)/ Monthly fixed operating expenditure)	Ratio achieved	3.72%	3.84	5.18%	1.5	3	3	3	3	3
Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.13%	17.77%	20.09%	15.0%	12%	12.0%	12.0%	12.0%	12.0%
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	10.36%	10.36%	8.88%	12.2		12.2%	12.2%	12.2%	12.2%
Submit a reviewed long term financial plan by the end of October 2018	Submission of long term financial plan	1	1	1	1		1	1	1	1
Financial statements submitted to the Auditor General by 31 August 2018	Financial statements submitted	1	1	1	1		1	1	1	1
Provision of free basic electricity, refuse removal, sanitation and water in terms of the equitable share requirements	Number of indigent households	6842	7512	7418	7500	7 300	7300	7400	7400	7400
Achieve a debt/recovery rate not less than 96% (Receipts/total billed for 12 months period x 100)	% Recovered	97.73%	97.9%	99.44%	96%		96%	96%	96%	96%
<b>Community Services</b>										
<b>Director: Community Services</b>										
<b>Director: Community Services</b>										
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.0%	98.07%	98%		98.0%	98.0%	98.0%	98.0%
m² of roads patched and resealed according to approved Pavement Management System within available budget	m² of roads patched and resealed	163240	171881	135258	100000		100 000	100 000	100 000	100 000
Limit unaccounted water to less than 20% ((Number of Kilo liter water purified - Number of Kilo liter water sold)/Number of Kilo liter purified x 100)	% of water unaccounted for	19.33%	20.86%	19.14%	20%		20.0%	19.0%	19.0%	19.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	8	9	8		8	8	8	8
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households Note: Unit of measurement & target revised in 2016/18 mid-year assessment	3144	138	252	119	252	252	239	239	239
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	32544	32676	34449	33132	29 329	29329	30209	30209	30209
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residential unit being billed for the particular services rendered by way of the financial system (SAMRAS)	Number of formal households for which refuse is removed at least once a week	33224	31432	32629	31754	32 029	32029	32960	32960	32960
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	3144	52	52	52		52	52	52	52



Description	Unit of measurement	VITA/ITS	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
The provision of sanitation services to informal households based on the standard of 1 toilet to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2016/16 mid-year	3144	724	794	593	794	794	770	770	770
Provision of sanitation services to formal residential households (A household is a residential unit being billed for the particular services rendered by way of the financial system (SAMRAS))	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	31719	28183	28841	32872	28 841	28841	28841	28841	29841
<b>Infrastructure &amp; Planning</b>										
<b>Director: Infrastructure and Planning</b>										
<b>Water Treatment</b>										
Quality of effluent comply 90% with license and/or general limit in terms of the Water Act (Act 36 of 1996)	% compliance	88.0%	87.25%	90.0%	90%		90.0%	90.0%	90.0%	90.0%
Quality of potable water comply 100% with SANS 241	% compliance with SANS 241	99.0%	99.0%	99.0%	95%		95.0%	95.0%	95.0%	95.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1		1	1	1	1
<b>Electricity</b>										
Limit electricity losses to 7.5% or less ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) * 100)	% of electricity unaccounted for	5.6%	6.34%	7.37%	7.5%		7.6%	7.5%	7.5%	7.5%
Provision of Electricity: Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	26476	20467	20916	20400		20400	20700	20700	20700
<b>MIG</b>										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2019 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	no kpi set	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%
<b>Protection Services</b>										
<b>Director: Protection Services</b>										
<b>Protection Services</b>										
Arrange public awareness sessions on Protection Services	Number of sessions held	88	58	88	90		90	90	90	90
Collect R15 000 000 Public Safety Income by 30 June 2019	R-value of public safety collected income (excluding fines impairment amount)	#####	R 34,949,821	R40,357,315	15,000,000	20,000,000	20,000,000	15000000	15000000	15000000
(Note kpi & target reviewed in										
<b>Planning and Fire Management</b>										
Annually review and submit Disaster Management Plan to the District by the end of October 2018	Reviewed plan submitted	1	1	1	1		1	1	1	1
<b>Local Economic Development, Social Development &amp; Tourism</b>										
<b>Director: LED</b>										
<b>LED, Social development and Tourism</b>										
<b>Provide three reports on LED, Social</b>	Number of reports on LED, Social	no kpi set	100.0%	100.0%	100.0%		300.0%	300.0%	300.0%	300.0%
Report to Executive Mayor on Grants to festival organisers through Service Level Agreements (SLA) by end July 2018	Number of reports submitted	no kpi set	1	1	1		1	1	1	1
Support 120 SMME's in terms of the SMME Development Programme by 30 June 2019	Number of SMME's supported	73	56	82	80		80	120	120	120
Support 50 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2019	Number of emerging contractors supported	no kpi set	no kpi set	48	30		30	50	50	50
economic support or financial and non-financial assistance for local economic development initiatives	Number of applications submitted (reworded for 2018/19)	4	4	1	6		6	10	10	10
Manager LED report quarterly to Director LED, Social Development & Tourism on linkages established with other spheres of government agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established	4	4	4	4		4	4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 1000 work opportunities)	Number of temporary jobs created	512	564	828	500		500	1000	1000	1000
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	12	12	12		12	12	12	12

The following table sets out the municipalities main performance objectives and benchmarks for the 2018/19 MTREF.



Table 32 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Borrowing Management</b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	6.9%	7.5%	11.0%	7.5%	7.3%	7.3%	7.2%	7.2%	7.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	11.8%	8.5%	7.7%	8.8%	8.4%	8.4%	8.6%	8.8%	8.8%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	74.7%	88.9%	38.7%	30.7%	19.9%	19.9%	40.9%	71.5%	73.0%
<b>Safety of Capital</b>										
Current Liquidity	Long Term Borrowing/ Funds & Investments	19006.1%	16944.5%	12687.3%	16762.6%	16762.6%	16762.6%	12838.7%	13055.1%	13245.1%
Current Ratio	Current assets/current liabilities	1.4	1.8	2.3	1.9	2.8	2.8	2.4	2.5	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.8	2.3	1.9	2.8	2.8	2.4	2.5	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	1.0	1.4	1.2	2.1	2.1	1.8	1.8	1.9
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.5%	99.5%	99.6%	99.3%	99.3%	0.0%	99.3%	99.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.5%	99.5%	99.6%	99.3%	99.3%	99.3%	99.3%	99.2%	99.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.1%	11.2%	10.2%	12.3%	11.7%	11.7%	11.9%	12.1%	12.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	98.0%	99.5%	99.5%	98.0%	98.0%	98.0%	99.0%	99.0%	99.0%
Creditors to Cash and Investments		61.2%	40.8%	31.0%	34.3%	19.3%	19.3%	22.9%	21.4%	16.9%
<b>Other Indicators</b>										
Electricity Distribution Losses (2)	Total Volume Losses (kWh)	13272396	15046015	16113084	18734080	18734060	19420071	19375580	20038240	20722780
	Total Cost of Losses (Rand '000)	1117	2009	4002	4567	4567	4567	5211	5943	6776
	% Volume (units purchased and generated less units sold)/units purchased and generated	5.77%	6.34%	7.37%	7.42%	7.42%	7.65%	7.46%	7.51%	7.55%
Water Distribution Losses (2)	Total Volume Losses (kl)	1281256	1427752	1444192	1439546	1439546	1453095	1368216	1367806	1366108
	Total Cost of Losses (Rand '000)	1110	5289	2210	5217	5217	5400	5700	6000	6300
	% Volume (units purchased and generated less units sold)/units purchased and generated	19.33%	20.86%	21.29%	19.80%	19.60%	20.03%	19.68%	19.16%	18.61%
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.5%	29.5%	28.7%	33.6%	31.4%	31.4%	34.0%	33.1%	33.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.5%	30.4%	29.5%	34.6%	32.4%	32.4%	35.0%	34.0%	34.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	19.6%	11.8%	11.5%	17.0%	18.3%	18.3%	20.8%	20.4%	20.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.6%	18.2%	16.9%	17.9%	17.0%	17.0%	16.5%	15.3%	14.7%
<b>IDP regulation financial viability Indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	19.3	16.6	0.2	17.0	17.0	17.0	15.0	15.0	16.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.4%	14.0%	12.8%	15.4%	15.2%	15.2%	15.0%	15.6%	15.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.6	2.7	3.5	2.9	5.1	5.1	4.7	4.4	4.3

### 2.3.1 Performance indicators and benchmarks

Overstrand has been compiling and including in the annual budget documentation the Financial Ratios and Norms in terms of MFMA Circular 71 dated 17 January 2014, for each of the budget year's being compiled, since 2014/2015.

National Treasury requested information based on the ratios and norms in respect of the 2015/2016 and 2016/2017 audit outcomes. This, and information relating to the current financial year (2017/2018) and all three years of the 2018/2019 MTREF has been compiled and is included in Annexure H of this report. The six year horizon has thus been compiled and analysed.

It should be noted that instances where indicators are not favourable with the norms indicated by NT, are not necessarily a negative indication, as the Overstrand financial strategy may differ from the envisaged outcome of the ratios and norms. In most instances the trend for those indicators are the same over the six year horizon. In other instances Overstrand is well above some of the ratios and norms over the six year horizon.

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Overstrand's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing remains steady. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is 38 per cent which indicates that the amount available from own sources to finance capital has shown an increase. This is as a result of utilising a portion of surpluses as they became available, as well as land sales.

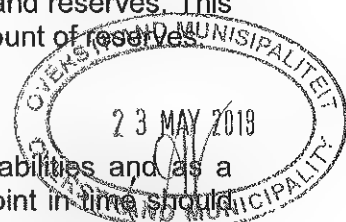
In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2011/2012 MTREF the potential of smoothing out the debt profile over the longer term was investigated and borrowing was capped at 60% in the borrowing policy. The gearing on borrowing will be reduced by 10 per cent over a period of ten years as started in 2012. To date this has now been achieved, with the indication that the 2018/2019 MTREF is estimated to end on 41,5%, which is also below the outer limit guideline of 45% of the National Treasury. In order to achieve this target and to reduce reliance on long term borrowing, the level has now been set at 45 per cent or less by 30 June 2022, in the Borrowing Policy.

#### 2.3.1.2 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. This ratio is not conducive to the GRAP accounting framework due to the low amount of reserves.

#### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a bottom limit of 1.5, therefore at no point in time should this ratio be less than 1.5. Over the 2018/19 MTREF the current ratio is 2.4, increasing to 2.7 by 2020/21. National Treasury has set a current ratio minimum of 1.5 in circular 71. Going forward it will be necessary to preserve this ratio, notwithstanding that it could tie up cash needed for capital investment.



- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Overstrand Municipality's liquidity ratio is at an average of 1.8 over the MTREF. The liquidity includes consumer deposits and provisions which are not likely to be realised in the short term. As part of the longer term financial planning objectives this ratio should be preserved as mentioned, notwithstanding that it could tie up cash needed for capital investment.

#### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure compliance to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

#### 2.3.1.6 Other Indicators

- The electricity distribution losses have been managed downwards from 8.3 per cent in the 2010/2011 financial year to 7,51per cent over the MTREF. This includes measureable technical losses, which further reduces the percentage of losses. The initiatives to ensure these targets are achieved include managing illegal connections, regular meter audits and managing theft of electricity by rolling out smart metering systems, including prepaid meters. It should be noted that technical losses range between 3 – 5 per cent over the Overstrand area. When taking this into consideration it is evident that distribution losses are well managed.
- The water distribution losses have been significantly reduced from 27.4 per cent in 2009/10 to 19,15 per cent over the 2018/2019 MTREF. This has been achieved with investing in the upgrading of water reticulation infrastructure, which is set to continue over the MTREF. Active attention is also given to reported leaks by the public and a further measure is to install flow limiters.
- Employee costs as a percentage of operating revenue remains stable. This is primarily owing to limited expansion of the personnel structure.
- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base

#### 2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2018/19 financial year 7 400 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy, registered households are entitled to 6kℓ free water, 50



kWh of electricity, weekly refuse removal and, where applicable, sewer services which includes sewage output based on 70% of the water consumption and the latest infrastructure levy for water and waste water. Further subsidies are capped at the full revenue cost of the basic services provided above. Households with a property valuation of R220 000 qualify upon registration as indigents.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 26 MBRR A10 (Basic Service Delivery Measurement) on page 45.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes) are not taken into account in the table noted above due to the measuring criteria.

### **2.3.3 Providing clean water and managing waste water**

The Department of Water Affairs conducts performance rating of water and sewage treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The municipality has achieved Blue Drop and Green Drop awards during the latest review, indicating that the municipality's drinking water is of good quality.

The following is briefly the challenges facing the municipality:

- Some infrastructure is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

## **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **2.4.1 Customer Care, Credit Control and Debt Collection Policy**

The 2018/19 MTREF has been prepared on the basis of achieving an average debtors' collection rate in excess of 99 per cent on current billings. The current collection rate is in excess of 99 per cent. In addition the collection of debt in excess of 90 days has been prioritised, as well as debt older than two years, where interest will be waived, subject to a signed agreement for the remainder of the debt.

### **2.4.2 Asset Management Policy**

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.





### **2.4.3 Budget Policy**

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was first adopted by Council in 2008. The policy is continually revised to incorporate amending legislation.

### **2.4.5 Virement Policy**

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations.

### **2.4.6 Investment, Liquidity & Cash Management Policy**

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed.

### **2.4.7 Tariff Policy**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

### **2.4.8 Long term Financial Planning & Implementation Policy**

Funding for the compiling of a The Long term Financial Planning Policy was acquired from the Provincial Government. A long term financial plan has been compiled in 2014/15, after a service provider had been appointed. The policy is reviewed annually.

### **2.4.9 Contract Management Policy**

This policy has been introduced to further enhance the supply chain management function.

### **2.4.10 Pay Day Policy**

This policy has been introduced to give effect to the council resolution in this regard.

**The following policies have also been subject to review:**

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Indigent Policy;



- Travelling & Subsistence;
- Petty Cash
- Special rating Area Policy
- Unauthorised, Irregular and Fruitless & Wasteful Expenditure Policy

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

The effects of recession are less evident than the same time two years ago. After a protracted standstill in interest rates, this has since increased. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration. Employee related costs comprise 33,3 per cent of total operating expenditure in the 2018/19 MTREF and therefore increases above inflation places a disproportionate upward pressure on the expenditure budget

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

### **2.5.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate linked to CPI over the medium term. It is also assumed that current economic conditions, and relative inflationary conditions, will continue for the forecasted term.

The revenue collection rate is currently expressed as a percentage (99,9%) of annual billings. Cash flow is assumed to be 99,9 per cent of billings from an increased collection of arrear debt.

### **2.5.5 Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no



consumer revenue is derived as the 'poor household' mainly limits consumption to the level of free basic services.

### 2.5.6 Salary increases

The current three year collective SALGBC salary agreement comes to an end on 30 June 2018. Salary increases, according to the agreement, were determined at 7,35% for the 2017/18 financial year, based on the average inflation for the period February 2016 to January 2017, with a minimum inflation rate of 5% plus 1%. The salary negotiations are still underway for a salary determination as from 1 July 2018. The current proposal of the mediator for the salary negotiations has been used as a tenable guideline for an increase in remuneration. This amounts to an estimate of 7,0% increase in basic salaries, which has been factored into the budget.

### 2.5.7 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### 2.5.8 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 99 per cent could be achieved on operating expenditure and 95 per cent on the capital programme for the 2018/19 MTREF.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

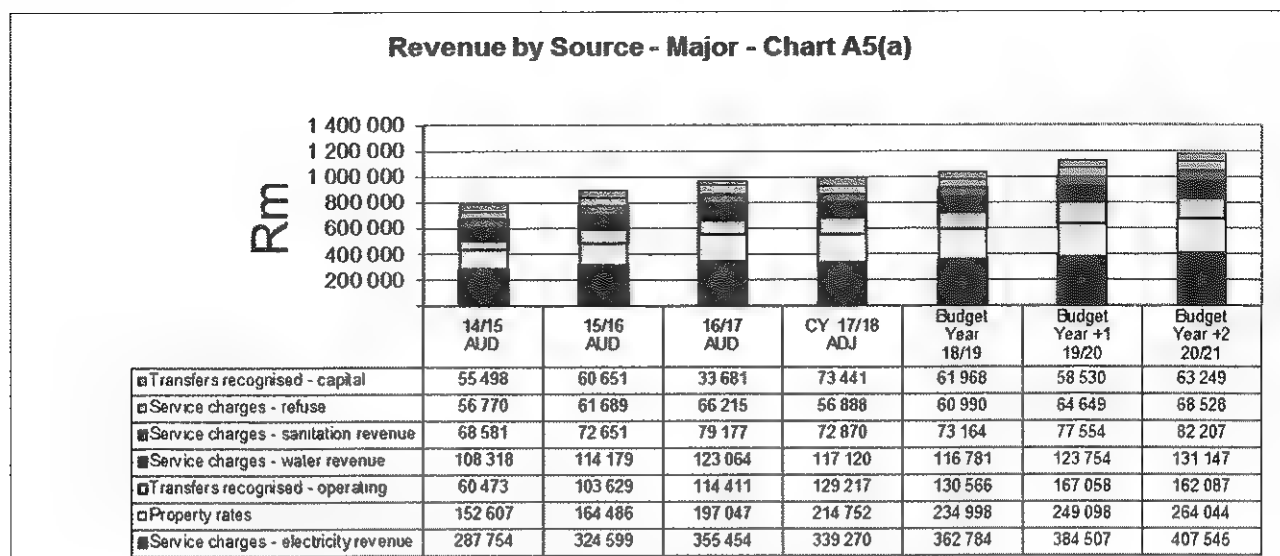
The following table is a breakdown of the operating revenue over the medium-term

**Table 33 Breakdown of the operating revenue over the medium-term**

Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Revenue By Source</b>			
Property rates	234 998	249 098	264 044
Service charges	613 718	650 464	689 427
Rental of facilities and equipment	3 679	3 897	4 128
Interest earned	24 701	24 923	25 158
Transfers recognised - operational	130 566	167 058	162 087
Other revenue	72 565	76 728	81 100
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 080 228</b>	<b>1 172 189</b>	<b>1 225 944</b>



The following graph is a breakdown of the operational revenue per main category for the 2018/19 financial year.



**Figure 7 Breakdown of operating revenue over the 2018/19 MTREF**

The following grants have been published in the DORA:

2018/2019 - 2020/2021 DORA & PROVINCIAL ALLOCATIONS			
<b>NATIONAL</b>			
	2018/2019	2019/2020	2020/21
EQUITABLE SHARE	96 068 000	106 383 000	117 674 000
FMG	1 550 000	1 550 000	1 550 000
EPWP	1 926 000	0	0
MIG	21 639 000	22 010 000	23 036 000
INEP	4 262 000	7 040 000	6 400 000
	<b>125 445 000</b>	<b>136 983 000</b>	<b>148 660 000</b>
<b>PROVINCIAL</b>			
Provincial Library Service Grant	6 747 000	7 111 000	7 502 000
Maintenance & construction of transport infrastructure	137 000		
Human Settlements Development Grant	59 100 000	81 140 000	69 000 000
Community Development Workers	74 000	74 000	74 000
Financial Management Capacity Building Grant	360 000	0	0
Financial Management Support Grant	280 000	280 000	
Thusong Services Centres Grant	100 000		100 000
	<b>66 798 000</b>	<b>88 605 000</b>	<b>76 676 000</b>

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation, solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 99 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements; and



- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004), as amended (MPRA).

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

**Table 34 Proposed tariff increases for 2018/2019**

Description	Current Year 2017/18	Budget Year 2018/19 % incr.	Budget Year 2018/19
<b>Rand/cent</b>			
<b>Monthly Account for Household - 'Affordable Range'</b>			
<b>Rates and services charges:</b>			
Property rates	152.70	6.0%	161.85
Electricity: Basic levy	267.52	9.0%	291.60
Electricity: Consumption	574.61	5.9%	608.61
Water: Basic levy	121.83	6.0%	129.14
Water: Consumption	268.19	6.5%	285.74
Sanitation	322.39	6.0%	341.89
Refuse removal	155.04	6.0%	164.34
Other	41.70	28.4%	53.54
<b>sub-total</b>	<b>1 903.98</b>	<b>7.0%</b>	<b>2 036.71</b>
VAT on Services	245.18		281.87
<b>Total small household bill:</b>	<b>2 149.16</b>	<b>7.9%</b>	<b>2 318.58</b>
<b>% increase/-decrease</b>	<b>-</b>		<b>7.9%</b>

It needs to be noted that the new infrastructure levy relates to a loan for water & waste water infrastructure networks, to be raised over the next three years.

Refer to Annexure C for Tariffs increases

The levying of property rates is considered a strategic revenue source.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket.

Operational grants and subsidies have shown increases over the MTREF. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF. This can be seen in the increase in equitable share over the MTREF.

Investment revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

**Table 35 MBRR SA15 – Detail Investment Information**

Investment type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Parent municipality</b>									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	26 051	101 263	170 727						
Deposits - Public Investment Commissioners									
Guaranteed Endowment Policies (sinking)	23 149	29 740	37 000	43 422	43 422	43 422	50 546	57 885	65 460
Municipal Bonds									
<b>Consolidated total:</b>	<b>49 200</b>	<b>131 003</b>	<b>208 709</b>	<b>43 422</b>	<b>43 422</b>	<b>43 422</b>	<b>50 546</b>	<b>57 885</b>	<b>65 460</b>

Table 36 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate	Commission on Fund	Commission on Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 Years	Policy	Yes	Variable	Fair Value Adjustment			01/09/2025	12 923	886		1 500	15 309
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment			01/09/2025	21 220	1 034		3 120	25 374
MOMENTUM 3853776	15 Years	Policy	Yes	Variable	Fair Value Adjustment			01/07/2026	2 349	30		360	2 739
													-
TOTAL INVESTMENTS AND INTEREST									36 492		-	4 980	43 422

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

### 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Table 37 Sources of capital revenue over the MTREF

Vote Description	2018/19 Medium Term Revenue & Expenditure Framework		
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>			
<b>Funded by:</b>			
National Government	25 901	29 050	29 436
Provincial Government	36 067	29 480	33 813
District Municipality	-	-	-
Other transfers and grants	100	-	-
<b>Transfers recognised - capital</b>	<b>62 068</b>	<b>58 530</b>	<b>63 249</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>68 650</b>	<b>54 000</b>	<b>54 000</b>
<b>Internally generated funds</b>	<b>63 519</b>	<b>21 500</b>	<b>20 000</b>
<b>Total Capital Funding</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>

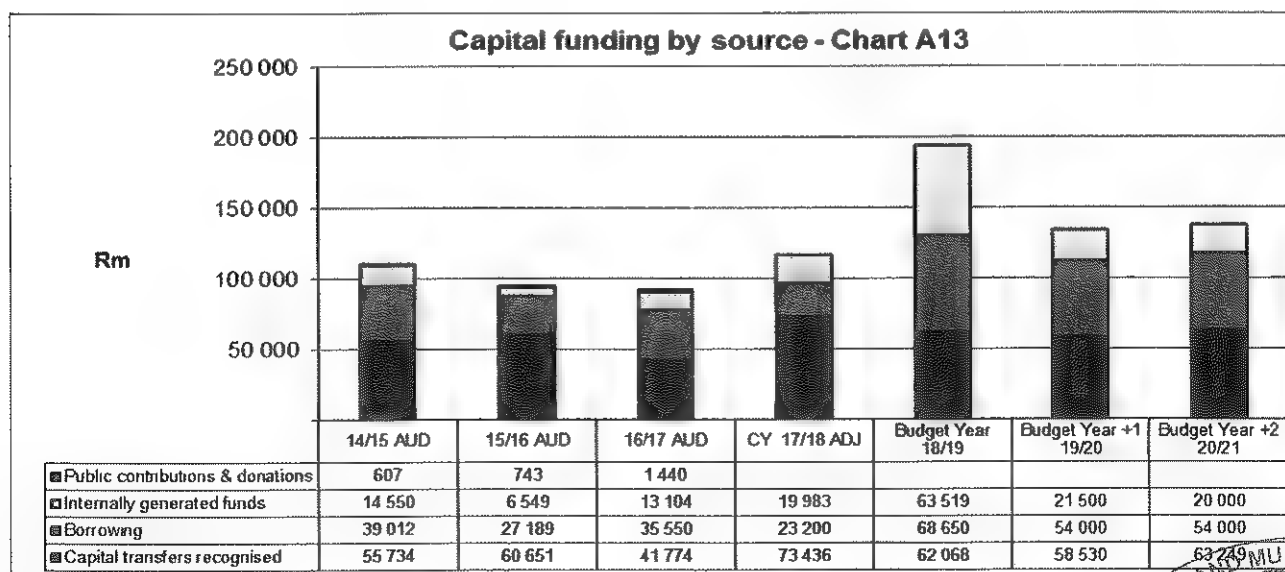


Figure 8 Sources of capital revenue for the 2018/19 financial year

Capital grants and receipts equates to 32 per cent of the total funding source which represents R62 million for the 2018/19 financial year.

**Table 38 MBRR Table SA18 - Capital transfers and grant receipts**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
National Government:	23 608	31 647	26 030	26 330	26 330	26 330	25 901	29 050	29 436
Municipal Infrastructure Grant (MIG)	20 674	21 417	21 030	22 330	22 330	22 330	21 639	22 010	23 036
NEP	2 000	8 000	5 000	4 000	4 000	4 000	4 262	7 040	6 400
Finance Management		11 300							
Municipal Systems Improvement	934	1 000							
Provincial Government:	30 195	29 110	10 400	19 878	44 028	44 028	36 067	29 480	33 813
Human Settlements Development Grant	28 045	26 080	8 290	17 186	36 977	36 977	35 467	29 480	33 813
Library Services Grant	2 150	3 031	1 000	700	700	700	800		
Development of Sport & Recreation Facilities				1 171	1 171	1 171			
Fire Service Capacity Building Grant			1 200	800	800	800			
Community Development Workers Operational Support Grant				21	21	21			
Municipal Service Deliv & Cap Building Grant					360	360			
Public Transport Non-motorised Infrastructure					4 000	4 000			
Other grant providers:	2 000	-	-	-	-	-	-	-	-
National Loto	1 000								
DWA ACIP	1 000								
<b>Total Capital Transfers and Grants</b>	<b>55 803</b>	<b>60 757</b>	<b>36 520</b>	<b>46 208</b>	<b>70 358</b>	<b>70 358</b>	<b>61 968</b>	<b>58 530</b>	<b>63 249</b>

Borrowing still remains a significant funding source (one-third) for the own capital programme over the medium-term with an estimated R162 million new borrowing.

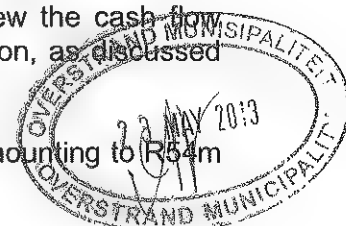
The following table is a detailed analysis of the Municipality's borrowing liability.

**Table 39 MBRR Table SA17 - Detail of borrowings**

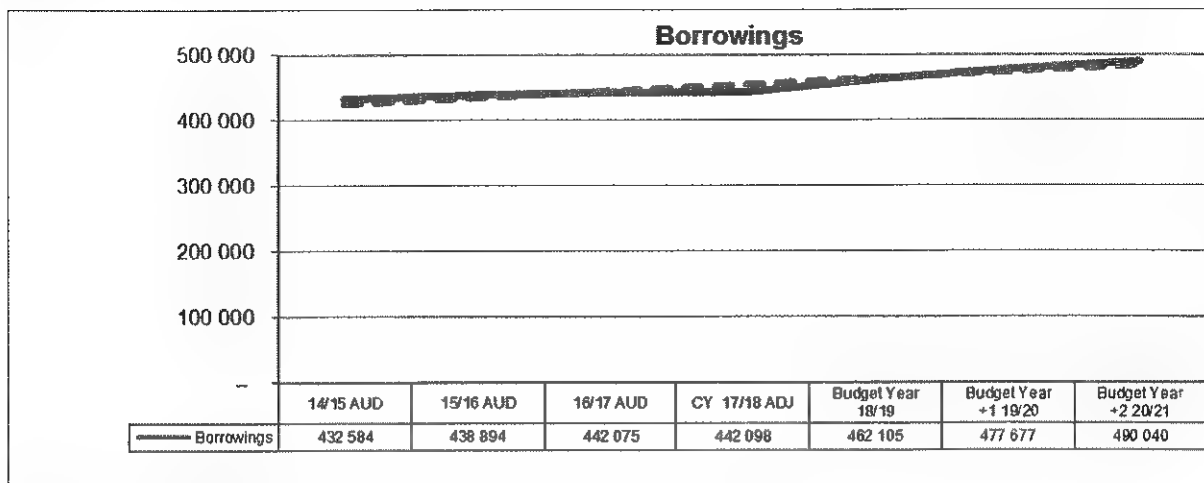
Borrowing - Categorised by type	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
Annuity and Bullet Loans	308 904	312 402	312 495	309 052	309 052	309 052	323 677	336 040	343 710
Long-Term Loans (non-annuity)	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Instalment Credit									
Financial Leases	60								
<b>Total Borrowing</b>	<b>408 964</b>	<b>412 402</b>	<b>412 495</b>	<b>409 052</b>	<b>409 052</b>	<b>409 052</b>	<b>423 677</b>	<b>436 040</b>	<b>443 710</b>
<b>Unspent Borrowing - Categorised by type</b>									
Long-Term Loans (annuity/reducing balance)	2 800				10 450	14 650			
<b>Total Unspent Borrowing</b>	<b>2 800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 450</b>	<b>14 650</b>	<b>-</b>	<b>-</b>	<b>-</b>

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance, cash backed reserves and proceeds on land sales. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R63,5 million in 2018/2019.

It should be noted that the borrowing level remains constant over the MTREF, amounting to R54m per annum over the next three years.



The following graph illustrates the growth in outstanding borrowing for the 2014/15 to 2020/21 period.



**Figure 9 Growth in outstanding borrowing (long-term liabilities)**

## Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management.

**Table 40 MBRR Table A7 - Budgeted cash flow statement**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	152 186	162 962	196 733	211 275	213 247	213 247	233 454	247 086	253 352
Service charges	518 153	570 606	622 776	573 549	582 043	582 043	609 888	645 209	688 874
Other revenue	55 358	65 644	80 337	87 761	65 566	65 568	56 317	53 292	53 722
Government - operating	59 769	103 190	118 349	113 688	129 218	129 218	130 568	167 058	162 087
Government - capital	54 852	60 394	34 841	47 840	73 441	73 441	81 888	58 530	63 249
Interest	10 423	14 944	23 018	17 165	22 663	22 663	24 701	24 923	25 158
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(637 438)	(719 905)	(780 356)	(858 220)	(871 724)	(871 724)	(893 188)	(1 012 842)	(1 077 621)
Finance charges	(43 433)	(46 193)	(45 910)	(47 440)	(47 440)	(47 440)	(47 834)	(50 433)	(52 064)
Transfers and Grants	(50 392)	(51 090)	(56 136)	(1 778)	(1 778)	(1 778)	(500)	(278)	(292)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>119 478</b>	<b>160 551</b>	<b>182 651</b>	<b>123 839</b>	<b>165 237</b>	<b>165 237</b>	<b>175 190</b>	<b>132 544</b>	<b>128 946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13 552	845	2 943	-	76 818	76 818	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	15	15	15	11	11	11	10	10	7
Decrease (increase) in non-current investments	(4 980)	(4 980)	(4 980)	(6 019)	(6 019)	(6 019)	(7 124)	(7 339)	(7 575)
<b>Payments</b>									
Capital assets	(109 902)	(95 133)	(91 868)	(97 648)	(116 620)	(116 620)	(194 237)	(134 030)	(137 249)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(101 315)</b>	<b>(99 253)</b>	<b>(93 891)</b>	<b>(103 656)</b>	<b>(45 810)</b>	<b>(45 810)</b>	<b>(201 351)</b>	<b>(141 359)</b>	<b>(144 817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/ refinancing	40 000	30 000	111 111	111 111	30 000	30 000	54 000	54 000	54 000
Increase (decrease) in consumer deposits	3 983	2 200	(6 904)	2 786	2 786	2 786	3 937	4 252	3 444
<b>Payments</b>									
Repayment of borrowing	(20 317)	(23 704)	(26 322)	(29 976)	(29 568)	(29 568)	(33 993)	(38 428)	(41 636)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>23 666</b>	<b>8 496</b>	<b>(3 127)</b>	<b>2 810</b>	<b>3 218</b>	<b>3 218</b>	<b>23 944</b>	<b>19 824</b>	<b>15 808</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>41 828</b>	<b>69 794</b>	<b>85 034</b>	<b>22 992</b>	<b>122 645</b>	<b>122 645</b>	<b>(2 217)</b>	<b>11 009</b>	<b>(2 063)</b>
Cash/cash equivalents at the year begin.	63 158	104 987	171 710	191 944	259 814	259 814	382 460	380 242	391 251
Cash/cash equivalents at the year end	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 188



The above table shows that cash and cash equivalents of the Municipality reflects steady growth from the 2014/2015 to 2017/2018 financial years. For the 2018/19 MTREF the budget has been prepared to ensure sustained levels of cash and cash equivalents over the medium-term with cash levels anticipated to remain stable, steadily increasing to R389 million by 2020/21.

### 2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- The predicted cash and investments available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. It is also important to analyse trends to understand the consequences. Cash surpluses have been realised over the past three years, which is inevitably utilised to finance capital. The working capital has to be optimally managed.

**Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Cash and Investments available</b>									
Cash/cash equivalents at the year end	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 188
Other current investments > 90 days	-	-	-	-	-	-	(0)	(0)	0
Non current assets - Investments	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
<b>Cash and Investments available:</b>	<b>128 136</b>	<b>204 521</b>	<b>297 796</b>	<b>258 358</b>	<b>425 881</b>	<b>425 881</b>	<b>430 789</b>	<b>449 137</b>	<b>454 648</b>
<b>Application of cash and Investments</b>									
Unspent conditional transfers	2 076	1 380	6 476	-	-	-	-	-	-
Unspent borrowing	2 800	-	-	-	10 450	14 650	-	-	-
Statutory requirements	(39 810)	(32 015)	(24 811)	(46 872)	(46 710)	(46 710)	(36 964)	(52 314)	(80 918)
Other working capital requirements									
Other provisions									
Long term investments committed	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
Reserves to be backed by cash/investments	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
<b>Total Application of cash and investments:</b>	<b>(9 214)</b>	<b>1 281</b>	<b>12 908</b>	<b>(1 010)</b>	<b>9 602</b>	<b>13 802</b>	<b>16 883</b>	<b>8 912</b>	<b>(12 108)</b>
<b>Surplus(shortfall)</b>	<b>137 349</b>	<b>203 239</b>	<b>274 888</b>	<b>259 368</b>	<b>416 279</b>	<b>412 079</b>	<b>413 906</b>	<b>440 225</b>	<b>466 755</b>

From the above table it can be seen that the cash and investments total R382,5 million in the 2017/2018 financial year and increase to R380 million by 2018/19, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

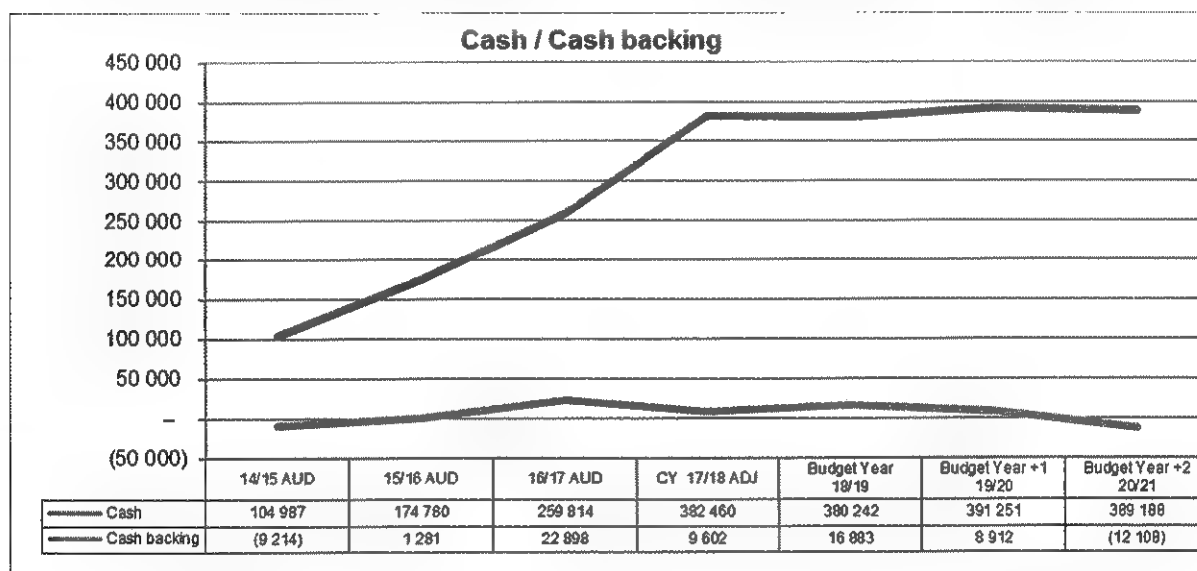
- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. Stringent measures have been implemented by NT regarding unspent grants.
- Unspent borrowing amounting to R14,7m from the previous financial year is anticipated. Borrowings are only drawn down once substantial expenditure has incurred against the particular projects.
- Provisions for statutory requirements could include VAT owing to SARS at year end.



- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation, at least two months operational expenditure is covered at all times. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

When considering the funding requirements of section 18 and 19 of the MFMA, it needs to be noted that for all practical purposes the 2018/2019 MTREF is funded, from a pure cash flow perspective (cash out flow versus cash inflow), and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



**Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds**

#### 2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.



Table 42 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	104 987	174 780	274 898	214 936	382 460	382 460	380 242	391 251	389 188
Cash + investments at the yr end less applications - R'000	18(1)b	137 349	203 239	274 898	214 936	416 279	412 079	413 906	440 225	466 755
Cash year end/monthly employees/supplier payments	18(1)b	1.6	2.7	3.5	2.9	5.1	5.1	4.7	4.4	4.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(64 044)	53 616	39 114	3 256	68 885	68 885	7 951	1 653	30 765
Service charge rev % change - macro CPI-X target exclusive	18(1)a,(2)	N.A.	0.0%	5.4%	(9.8%)	(4.7%)	(6.0%)	(0.0%)	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	99.1%	99.0%	98.5%	98.4%	98.4%	98.4%	96.9%	96.1%	96.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.1%	0.0%	2.7%	2.9%	2.8%	2.8%	2.8%	2.6%	2.5%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	73.8%	87.0%	59.9%	60.2%	69.5%	69.5%	40.9%	71.5%	73.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.2%	100.0%	100.0%
Current consumer debtors % change - inc/(decr)	18(1)a	N.A.	(0.6%)	2.4%	14.6%	0.0%	0.0%	4.5%	10.4%	7.4%
Long term receivables % change - inc/(decr)	18(1)a	N.A.	(24.6%)	(33.8%)	(24.5%)	0.0%	0.0%	(49.1%)	(54.4%)	(84.7%)
R&M % of Property Plant & Equipment	20(1)(vi)	4.4%	3.1%	3.4%	4.9%	5.5%	5.5%	6.3%	6.7%	7.1%
Asset renewal % of capital budget	20(1)(vi)	29.8%	16.7%	37.5%	11.6%	6.6%	6.6%	0.0%	0.0%	0.0%
<b>Total Operating Revenue</b>		804 584	930 691	1 053 123	993 217	1 047 640	1 047 640	1 080 228	1 172 169	1 225 944
<b>Total Operating Expenditure</b>		924 126	937 727	1 047 691	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428
<b>Operating Performance Surplus/(Deficit)</b>		(119 542)	(7 036)	5 432	(44 584)	(4 556)	(4 556)	(54 017)	(56 877)	(32 484)
<b>Revenue</b>										
% Increase in Total Operating Revenue			15.7%	13.2%	(5.7%)	5.5%	0.0%	3.1%	8.5%	4.8%
% Increase in Property Rates Revenue			7.8%	10.0%	8.0%	0.9%	0.0%	9.4%	6.0%	6.0%
% Increase in Electricity Revenue			12.8%	9.5%	(4.6%)	0.0%	0.0%	6.9%	6.0%	6.0%
% Increase in Property Rates & Services Charges			9.4%	11.4%	(3.8%)	1.3%	0.0%	6.0%	6.0%	6.0%
<b>Expenditure</b>										
% increase in Total Operating Expenditure			1.5%	11.7%	(0.9%)	1.4%	0.0%	7.8%	8.4%	2.4%
% increase in Employee Costs			1.8%	10.0%	10.4%	(1.2%)	0.0%	11.5%	5.8%	5.5%
% increase in Electricity Bulk Purchases			16.1%	11.8%	(2.8%)	2.4%	0.0%	10.2%	7.1%	7.1%
R&M % of PPE		4.4%	3.1%	3.4%	4.9%	5.5%	5.5%	6.3%	6.7%	7.1%
Asset Renewal and R&M as a % of PPE		5.0%	3.0%	4.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
Debt impairment % of Total Billable Revenue		1.1%	1.9%	2.7%	2.9%	2.8%	2.8%	2.8%	2.6%	2.5%
<b>Capital Revenue</b>										
Internally Funded & Other (R'000)		15 157	7 292	14 544	19 808	19 983	19 983	63 519	21 500	20 000
Borrowing (R'000)		39 012	27 189	35 550	30 000	23 200	23 200	68 650	54 000	54 000
Grant Funding and Other (R'000)		55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
Internally Generated funds % of Non Grant Funding		28.0%	21.1%	29.0%	39.8%	46.3%	46.3%	48.1%	28.5%	27.0%
Borrowing % of Non Grant Funding		72.0%	70.0%	71.0%	60.2%	53.7%	53.7%	51.9%	71.5%	73.0%
Grant Funding % of Total Funding		50.7%	63.6%	45.5%	49.0%	63.0%	63.0%	32.0%	43.7%	46.1%
<b>Capital Expenditure</b>										
Total Capital Programme (R'000)		109 902	95 133	111 000	97 648	116 620	116 620	194 237	134 030	137 249
Asset Renewal		32 727	15 884	34 479	11 280	7 713	7 713	-	-	-
Asset Renewal % of Total Capital Expenditure		29.8%	16.7%	37.5%	11.6%	6.6%	6.6%	0.0%	0.0%	0.0%
<b>Cash</b>										
Cash Receipts % of Rate Payer & Other		99.1%	99.0%	98.5%	98.5%	98.4%	98.4%	98.9%	96.1%	96.5%
<b>Borrowing</b>										
Capital Charges to Operating		6.9%	7.5%	6.9%	7.5%	7.3%	7.3%	7.2%	7.2%	7.4%
Borrowing Receipts % of Capital Expenditure		73.8%	87.0%	59.9%	60.2%	69.5%	69.5%	40.9%	71.5%	73.0%
<b>Reserves</b>										
Surplus/(Deficit)		137 349	203 239	274 898	259 368	416 279	412 079	413 906	440 225	466 755
<b>Free Services</b>										
Free Basic Services as a % of Equitable Share		7.8%	5.5%	7.1%	75.6%	75.6%	75.6%	82.5%	86.1%	98.6%
Free Services as a % of Operating Revenue (excl. operational transfers)		5.1%	5.0%	5.4%	10.3%	9.4%	9.4%	11.7%	13.6%	12.0%
<b>High Level Outcome of Funding Compliance</b>										
Total Operating Revenue		804 584	930 691	1 053 123	993 217	1 047 640	1 047 640	1 080 228	1 172 169	1 225 944
Total Operating Expenditure		924 126	937 727	1 047 691	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428
Surplus/(Deficit) Budgeted Operating Statement		(119 542)	(7 036)	5 432	(44 584)	(4 556)	(4 556)	(54 017)	(56 877)	(32 484)
Surplus/(Deficit) Considering Reserves and Cash Backing		137 349	203 239	274 898	259 368	416 279	412 079	413 906	440 225	466 755
MTREF Funded (1) / Unfunded (0)		1	1	1	1	1	1	1	1	1
MTREF Funded ü / Unfunded ü		✓	✓	✓	✓	✓	✓	✓	✓	✓

## 2.6.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2018/19 MTREF shows R380 million, R391 million and R389 million for each respective financial year.

#### *2.6.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 41, on page 70. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.6.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as services boycotts. The ratio is above 4 over the 2018/2019 MTREF.

#### *2.6.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. The issue relating to depreciation has been discussed at length elsewhere in this report. This indicator cannot be measured as depreciation offset do not form part of the GRAP reporting framework. It needs to be noted that a deficit does not necessarily mean that the budget not is funded from a cash flow perspective and the first two measures in the table are therefore critical.

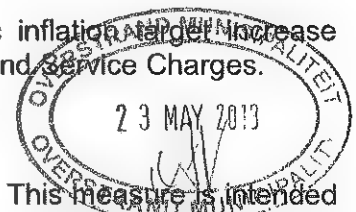
#### *2.6.4.5 Property Rates/service revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 5,3 per cent). Refer to Annexure B for Rates, Tariffs and Service Charges.

#### *2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 99,9 per cent performance target, the cash flow statement has been accurately determined. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.



**2.6.4.7 Debt impairment expense as a percentage of billable revenue**

Overstrand Municipality has provided for adequate Debt impairment.

**2.6.4.8 Capital payments percentage of capital expenditure**

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to ensure strict compliance with the legislative requirement that creditors be paid within 30 days.

**2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)**

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 35, 40 and 39 per cent of own funded capital.

**2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

**2.6.4.11 Consumer debtors change (Current and Non-current)**

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

**2.6.4.12 Repairs and maintenance expenditure level**

This measure must be considered within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 56 MBRR SA34C on page 90.

**2.6.4.13 Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The new mSCOA Framework has further categorised asset classes. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 55 MBRR SA34a on page 87.



## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 43 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	3 900	1 701	3 397	3 850	3 850	3 850	3 476	1 550	1 550
Local Government Equitable Share									
Finance Management	860	2 040	1 475	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Systems Improvement	1 768	1 661	1 922	2 300	2 300	2 300	1 926		
EPWP Incentive	1 272								
Disaster recovery grant									
<b>Provincial Government:</b>	4 551	20 010	38 034	25 615	41 144	41 144	31 022	59 125	42 863
Human Settlements Development Grant	632	29 425	31 921	18 779	33 892	33 892	23 633	51 660	35 187
Library Services Grant	3 182	5 307	5 889	6 100	6 306	6 306	6 147	7 111	7 502
Financial Management Capacity Building Grant				240	240	240	600		
Community Development Workers Oper. Sup Grant	70	72	75	54	54	54	74	74	74
Maintenance & Construction of Transport Infrastructure	83	114	137	139	139	139	137		
Greenest Municipality Competition	38			50	120	120			
Local Government Internship Graduate Grant			12	48	114	114	51		
Western Cape Financial Management Support Grant	547	1 513			280	280	280	280	
Thusong Service Centre		200					100		100
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>									
<b>Total operating expenditure of Transfers and Grants:</b>	8 452	40 331	41 431	29 465	44 994	44 994	34 498	80 675	44 413
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	23 608	30 347	28 030	26 110	26 330	26 330	25 901	29 050	29 436
Municipal Infrastructure Grant (MIG)	20 674	21 417	21 030	22 330	22 330	22 330	21 639	22 010	23 036
INEP	2 000	11 100	5 000	4 000	4 000	4 000	4 262	7 040	6 400
Municipal Systems Improvement	934	930							
<b>Provincial Government:</b>	31 990	20 000	7 681	21 510	47 111	47 111	36 067	29 480	33 813
Human Settlements Development Grant	29 740	25 974	7 651	17 186	37 890	37 890	35 467	29 480	33 813
Library Services Grant	2 150	3 031	100	1 132	1 670	1 670	600		
Development of Sport & Recreation Facilities				1 171	1 171	1 171			
Fire Service Capacity Building Grant				2 000	2 000	2 000			
Community Development Workers Oper. Sup Grant				21	21	21			
Municipal Service Delivery and Capacity Building Grant					360	360			
Public Transport Non-motorised Infrastructure					4 000	4 000			
<b>Other grant providers:</b>	1 000	-	-	-	-	-	-	-	-
National Lotto	1 000								
<b>Total capital expenditure of Transfers and Grants</b>	56 498	50 351	33 711	47 640	73 441	73 441	61 968	58 530	63 249
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	64 949	90 683	75 143	77 305	118 435	118 435	96 466	119 205	107 662



Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year		500							
Current year receipts	56 511	67 709	76 347	88 073	88 073	88 073	99 544	107 933	119 224
Conditions met - transferred to revenue	55 921	68 299	76 347	88 073	88 073	88 073	99 544	107 933	119 224
Conditions still to be met - transferred to liabilities	590								
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	683	213	2 944	1 238	2 471	2 471	291		
Current year receipts	4 081	35 118	41 312	24 378	38 673	38 673	30 731	59 125	42 863
Conditions still to be met - transferred to liabilities	213		0 102						
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	60 473	103 629	114 411	113 688	129 217	129 217	130 566	167 058	162 087
<b>Total operating transfers and grants - CTBM</b>	<b>802</b>	<b>-</b>	<b>6 192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year									
Current year receipts	23 608	30 347	26 030	26 330	26 330	26 330	25 901	29 050	29 436
Conditions met - transferred to revenue	23 608	30 347	26 030	26 330	26 330	26 330	25 901	29 050	29 436
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 618			1 632	3 078	3 078			
Current year receipts	29 508	80 110	10 490	19 876	44 028	44 028	36 067	29 480	33 813
Conditions met - transferred to revenue	32 126	30 304	10 490	21 510	47 106	47 106	36 067	29 480	33 813
Conditions still to be met - transferred to liabilities		106							
<b>Balance unspent at beginning of the year</b>									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Balance unspent at beginning of the year							100		
Current year receipts			5 254						
Conditions met - transferred to revenue	-	-	5 254	-	-	-	100	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>116 206</b>	<b>164 281</b>	<b>156 185</b>	<b>161 528</b>	<b>202 653</b>	<b>202 653</b>	<b>192 634</b>	<b>225 588</b>	<b>225 336</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>802</b>	<b>106</b>	<b>6 192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 2.8 Councillor and employee benefits

**Table 45 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	7 533	7 961	8 608	9 393	9 166	9 166	9 862	10 357	10 877
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance	570	606	657	660	1 086	1 086	1 110	1 161	1 215
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>8 104</b>	<b>8 566</b>	<b>9 265</b>	<b>10 053</b>	<b>10 253</b>	<b>10 253</b>	<b>10 972</b>	<b>11 518</b>	<b>12 091</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	9 190	9 543	9 944	10 753	10 753	10 753	10 954	11 838	12 442
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus							210	220	230
Motor Vehicle Allowance									
Cellphone Allowance	147	154	158	175	175	175	194	229	240
Housing Allowances									
Other benefits and allowances		32							
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>9 337</b>	<b>9 729</b>	<b>10 102</b>	<b>10 928</b>	<b>10 928</b>	<b>10 928</b>	<b>11 358</b>	<b>12 288</b>	<b>12 912</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	168 541	175 857	175 723	204 000	199 269	199 269	225 106	237 071	250 518
Pension and UIF Contributions	27 068	29 587	30 114	35 806	35 564	35 564	39 574	42 181	44 594
Medical Aid Contributions	9 363	9 829	10 523	12 625	12 433	12 433	13 679	14 243	14 677
Overtime	14 765	15 724	15 613	15 622	16 076	16 076	23 606	24 999	26 473
Performance Bonus				-	-	-			
Motor Vehicle Allowance	9 634	7 222	7 602	8 213	8 213	8 213	8 203	8 295	8 299
Cellphone Allowance	1 750	1 119	1 483	1 475	1 450	1 450	2 049	2 137	2 237
Housing Allowances	944	4 608	5 064	5 405	5 340	5 340	2 542	2 542	2 542
Other benefits and allowances	11 228	10 248	26 398	29 993	27 235	27 235	26 983	28 446	29 884
Payments in lieu of leave	996	1 815	1 385	765	965	965	1 062	1 168	1 285
Long service awards	1 161	2 288	1 836	669	1 769	1 769	1 946	2 140	2 354
Post-retirement benefit obligations	15 032	6 539	16 076	7 724	9 924	9 924	10 916	12 008	13 209
<b>Sub Total - Other Municipal Staff</b>	<b>260 483</b>	<b>264 835</b>	<b>291 817</b>	<b>322 297</b>	<b>318 237</b>	<b>318 237</b>	<b>355 667</b>	<b>375 230</b>	<b>396 073</b>
<b>Total Parent Municipality</b>	<b>277 924</b>	<b>283 130</b>	<b>311 185</b>	<b>343 277</b>	<b>339 418</b>	<b>339 418</b>	<b>377 997</b>	<b>399 036</b>	<b>421 076</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>277 924</b>	<b>283 130</b>	<b>311 185</b>	<b>343 277</b>	<b>339 418</b>	<b>339 418</b>	<b>377 997</b>	<b>399 036</b>	<b>421 076</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>269 820</b>	<b>274 564</b>	<b>301 919</b>	<b>333 225</b>	<b>329 165</b>	<b>329 165</b>	<b>367 024</b>	<b>387 518</b>	<b>408 985</b>





**Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
<b>Rand per annum</b>							
<b>Councillors</b>							
Speaker	1	1 090 000		44 412			713 478
Chief Whip							—
Executive Mayor	1	817 552		44 412			861 964
Deputy Executive Mayor	1	1 000 588		44 412			712 980
Executive Committee	4	3 134 662		222 060			3 356 722
Total for all other councillors	18	4 572 112		755 004			5 327 116
<b>Total Councillors</b>	—	<b>9 861 960</b>	—	<b>1 110 300</b>			<b>10 972 260</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1 700 000	—	28 536	210 000		1 938 536
Chief Finance Officer	1	1 727 185		25 536			1 752 721
Community Services Director	1	1 490 236	—	28 536	—		1 518 772
Management Services Director	1	1 469 138	—	28 536	—		1 497 674
LED Director	1	1 433 440	—	28 536	—		1 461 976
Infrastructure and Planning Director	1	1 732 691	—	25 536	—		1 758 227
Protection Services Director	1	1 401 393	—	28 536			1 429 929
<b>Total Senior Managers of the Municipality</b>	—	<b>10 954 083</b>	—	<b>193 752</b>	<b>210 000</b>		<b>11 357 835</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	—	<b>20 816 043</b>	—	<b>1 304 052</b>	<b>210 000</b>		<b>22 330 095</b>



Table 47 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2016/17			Current Year 2017/18			Budget Year 2018/19		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7	
Board Members of municipal entities									
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	7	7		7	7		7	7	
Other Managers	55	52		55	53		56	54	
Professionals	57	43	-	23	19	-	23	21	-
Finance	23	17		20	16		20	18	
Spatial/town planning	8	7							
Information Technology				1	1		1	1	
Roads	8	6							
Electricity	■	6							
Water	4	1							
Sanitation	3	■							
Refuse	3	3							
Other				2	2		2	2	
Technicians	202	180	-	190	167	-	188	167	-
Finance									
Spatial/town planning	6	5		13	12		13	12	
Information Technology	4	3		5	3		5	3	
Roads	3	3		9	9		9	8	
Electricity	22	18		30	25		30	24	
Water	5	4		20	16		19	18	
Sanitation	■	■		2	2		2	2	
Refuse	3	3		5	5		4	4	
Other	153	148		106	95		106	96	
Clerks (Clerical and administrative)	188	173		263	232		262	234	
Service and sales workers	144	105		128	96		104	95	
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	25	24		63	54		59	55	
Elementary Occupations	466	434		418	400		423	405	
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 167</b>	<b>1 035</b>	<b>-</b>	<b>1 172</b>	<b>1 035</b>	<b>-</b>	<b>1 147</b>	<b>1 045</b>	<b>-</b>
% increase				0.4%	-	-	(2.1%)	1.0%	-
<b>Total municipal employees headcount</b>	<b>1 112</b>	<b>1 028</b>		<b>1 147</b>	<b>1 028</b>		<b>1 122</b>	<b>1 038</b>	
Finance personnel headcount	113	100		113	103		113	100	
Human Resources personnel headcount	18	17		18	17		18	18	



## 2.9 Monthly targets for revenue, expenditure and cash flow ....!

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>															
Property rates	19 309	19 309	19 309	19 309	19 309	20 952	19 309	19 309	19 309	19 309	19 309	20 952	234 998	249 098	284 044
Service charges - electricity revenue	30 477	30 477	30 477	30 477	30 477	9 732	30 477	30 477	30 477	30 477	30 477	27 539	362 784	364 507	407 645
Service charges - water revenue	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	116 781	123 754	131 147
Service charges - sanitation revenue	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	73 164	77 554	82 207
Service charges - refuse revenue	5 082	5 082	5 082	5 082	5 082	5 082	5 082	5 082	5 082	5 082	5 082	5 082	60 990	64 649	68 628
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	302	302	302	302	302	314	302	302	314	302	302	319	3 679	3 897	4 128
Interest earned - external investments	1 333	1 333	1 333	1 333	1 333	1 334	1 333	1 333	1 333	1 333	1 333	6 334	21 001	21 001	21 001
Interest earned - outstanding debtors	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 922	4 157
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and bribes	2 910	2 910	2 920	2 910	2 910	2 920	2 910	2 910	2 920	2 910	2 910	2 921	34 985	37 060	39 281
Licences and permits	198	198	209	198	198	221	198	198	209	198	198	221	2 447	2 593	2 749
Agency services	308	308	315	308	308	315	308	308	315	308	308	315	3 725	3 970	4 187
Transfers and subsidies	846	846	28 337	846	846	28 337	846	846	28 337	846	846	38 638	130 565	167 058	162 087
Other revenue	2 248	2 248	2 683	2 248	2 248	2 945	2 248	2 248	2 683	2 248	2 248	5 114	31 427	33 105	34 884
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>79 151</b>	<b>79 151</b>	<b>107 177</b>	<b>79 151</b>	<b>79 151</b>	<b>109 090</b>	<b>79 151</b>	<b>79 151</b>	<b>107 177</b>	<b>79 151</b>	<b>79 151</b>	<b>123 574</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>
<b>Expenditure By Type</b>															
Employee related costs	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	35 109	387 024	387 519	409 985
Remuneration of councillors	914	914	914	914	914	914	914	914	914	914	914	914	10 972	11 518	12 091
Debt impairment	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	2 599	23 492	23 492	23 492
Depreciation & asset impairment	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	21 724	130 362	128 876	127 859
Finance charges	-	-	-	-	-	23 917	-	-	-	-	-	-	47 834	50 433	52 064
Bulk purchases	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	25 657	238 588	255 610	273 855
Other materials	2 446	2 446	2 446	2 446	2 446	2 446	2 446	2 446	2 446	2 446	2 446	9 803	57 602	89 068	74 195
Contracted services	12 400	12 400	16 413	12 400	12 400	30 976	12 400	12 400	16 423	12 400	12 400	30 618	193 537	213 119	214 980
Transfers and subsidies	42	42	42	42	42	42	42	42	42	42	42	42	500	278	292
Other expenditure	5 970	4 627	5 352	4 627	4 627	5 356	4 627	4 627	5 352	5 075	4 627	9 327	64 232	69 133	70 574
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>83 060</b>	<b>81 731</b>	<b>93 436</b>	<b>81 731</b>	<b>81 731</b>	<b>131 984</b>	<b>81 736</b>	<b>81 731</b>	<b>93 452</b>	<b>82 184</b>	<b>81 731</b>	<b>159 711</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit)</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>13 741</b>	<b>(2 580)</b>	<b>(2 580)</b>	<b>(22 895)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>13 725</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(36 137)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocations)	-	-	11 215	-	-	11 215	-	-	11 215	-	-	28 324	61 988	58 530	63 249
Transfers and subsidies - capital (non-monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (p-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (p-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>24 956</b>	<b>(2 580)</b>	<b>(2 580)</b>	<b>(11 680)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>24 940</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(7 813)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
<b>Surplus/(Deficit)</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>24 956</b>	<b>(2 580)</b>	<b>(2 580)</b>	<b>(11 680)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>24 940</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(7 813)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>															
Vote 1 - Council	15	15	6 217	15	15	6 217	15	15	6 217	15	15	6 217	24 988	26 998	29 984
Vote 2 - Municipal Manager	4	4	4	4	4	4	4	4	4	4	4	4	51	-	-
Vote 3 - Management Services	29	29	31	29	29	146	29	29	31	29	29	146	584	604	626
Vote 4 - Finance	22 007	22 007	22 078	22 007	22 007	23 730	22 007	22 007	23 730	22 007	22 007	23 741	289 683	284 336	289 588
Vote 5 - Community Services	23 111	23 111	38 378	23 111	23 111	38 523	23 111	23 111	38 378	23 111	23 111	38 524	338 690	359 849	383 342
Vote 6 - Local Economic Development	186	186	186	186	186	186	186	186	186	186	186	186	2 228	300	300
Vote 7 - Infrastructure & Planning	31 154	31 154	53 711	31 154	31 154	53 711	31 154	31 154	53 711	31 154	31 154	53 711	464 077	514 204	528 413
Vote 8 - Protection Services	3 401	3 401	3 672	3 401	3 401	3 673	3 401	3 401	3 672	3 401	3 401	3 673	41 896	44 408	47 070
<b>Total Revenue by Vote</b>	<b>79 906</b>	<b>79 906</b>	<b>124 277</b>	<b>79 906</b>	<b>79 906</b>	<b>126 189</b>	<b>79 906</b>	<b>79 906</b>	<b>124 277</b>	<b>79 906</b>	<b>79 906</b>	<b>128 202</b>	<b>1 142 196</b>	<b>1 230 699</b>	<b>1 289 193</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Council	3 841	2 497	2 819	2 497	2 497	2 819	2 497	2 497	2 819	2 945	2 497	2 820	33 049	34 570	37 104
Vote 2 - Municipal Manager	430	430	497	430	430	498	430	430	497	430	430	539	5 487	5 849	5 885
Vote 3 - Management Services	4 019	4 019	4 049	4 019	4 019	4 114	4 019	4 019	4 049	4 019	4 019	8 416	52 776	56 228	58 108
Vote 4 - Finance	6 522	6 522	6 592	6 522	6 522	6 643	6 522	6 522	6 592	6 522	6 522	6 644	78 645	88 602	86 470
Vote 5 - Community Services	27 806	27 806	32 496	27 806	27 806	60 262	27 806	27 806	32 496	27 806	27 806	61 809	409 514	427 714	443 592
Vote 6 - Local Economic Development	960	955	1 005	960	955	1 033	960	955	1 021	960	955	1 034	11 752	10 439	10 873
Vote 7 - Infrastructure & Planning	34 159	34 159	40 496	34 159	34 159	51 132	34 159	34 159	40 496	34 159	34 159	51 133	458 531	513 013	523 213
Vote 8 - Protection Services	7 163	7 163	7 302	7 163	7 163	7 302	7 163	7 163	7 302	7 163	7 163	7 302	86 511	92 832	93 183
<b>Total Expenditure by Vote</b>	<b>84 899</b>	<b>83 551</b>	<b>95 256</b>	<b>83 556</b>	<b>83 551</b>	<b>133 804</b>	<b>83 556</b>	<b>83 551</b>	<b>95 272</b>	<b>84 004</b>	<b>83 551</b>	<b>139 696</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>(4 993)</b>	<b>(3 644)</b>	<b>29 021</b>	<b>(3 650)</b>	<b>(3 644)</b>	<b>(7 614)</b>	<b>(3 650)</b>	<b>(3 644)</b>	<b>29 005</b>	<b>(4 037)</b>	<b>(3 644)</b>	<b>(11 494)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
<b>Surplus/(Deficit)</b>	<b>(4 993)</b>	<b>(3 644)</b>	<b>29 021</b>	<b>(3 650)</b>	<b>(3 644)</b>	<b>(7 614)</b>	<b>(3 650)</b>	<b>(3 644)</b>	<b>29 005</b>	<b>(4 037)</b>	<b>(3 644)</b>	<b>(11 494)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



**Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (functional classification)**

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand																
Revenue - Functional																
Governance and administration																
Executive and council	21 672	21 672	27 981	21 672	21 672	29 760	21 672	21 672	21 672	27 981	21 672	21 672	36 927	296 029	312 713	330 858
Finance and administrator	18	18	6 235	18	18	6 247	18	18	18	6 235	18	18	6 247	25 110	27 147	29 991
Internal audit	21 654	21 654	21 746	21 654	21 654	23 513	21 654	21 654	21 654	21 746	21 654	21 654	30 629	270 868	285 566	300 867
Community and public safety	1 612	1 612	9 965	1 612	1 612	9 973	1 612	1 612	1 612	9 965	1 612	1 612	51	51	51	51
Community and social services	586	586	586	586	586	664	586	586	586	661	586	586	38 849	81 447	110 565	98 321
Sport and recreation	952	952	969	952	952	973	952	952	952	969	952	952	7 413	10 209	10 734	10 734
Public safety	19	19	280	19	19	281	19	19	19	280	19	19	2 473	13 000	17 188	14 413
Housing	55	55	8 055	55	55	8 055	55	55	55	8 055	55	55	35 155	59 762	81 842	66 744
Health													—	—	—	—
Economic and environmental services																
Planning and development	4 357	4 357	5 242	4 357	4 357	5 367	4 357	4 357	4 357	5 242	4 357	4 357	7 391	58 087	57 704	58 891
Road transport	950	950	950	950	950	950	950	950	950	950	950	950	1 000	11 449	10 084	10 899
Environmental protection	3 407	3 407	4 292	3 407	3 407	4 417	3 407	3 407	3 407	4 292	3 407	3 407	6 390	46 648	47 610	48 191
Trading services	51 510	51 510	75 203	51 510	51 510	75 204	51 510	51 510	51 510	75 203	51 510	51 510	0	0	0	0
Energy sources	30 597	30 597	38 379	30 597	30 597	38 379	30 597	30 597	30 597	38 379	30 597	30 597	68 930	708 824	749 888	803 123
Water management	9 698	9 698	14 435	9 698	9 698	14 435	9 698	9 698	9 698	14 435	9 698	9 698	35 441	395 354	422 870	448 613
Waste water management	6 130	6 130	13 408	6 130	6 130	13 408	6 130	6 130	6 130	13 408	6 130	6 130	12 072	101 333	101 244	112 737
Waste management	5 085	5 085	8 982	5 085	5 085	8 982	5 085	5 085	5 085	8 982	5 085	5 085	—	76 610	81 949	87 641
Other													—	—	—	—
Total Revenue - Functional	76 151	76 151	118 382	76 151	76 151	120 304	76 151	76 151	76 151	118 382	76 151	76 151	151 698	1 142 196	1 230 699	1 289 193
Expenditure - Functional																
Governance and administration																
Executive and council	18 512	17 168	19 529	17 168	17 168	19 862	17 168	17 168	17 168	19 529	17 168	17 168	23 904	221 783	239 027	244 028
Finance and administrator	5 249	3 906	5 736	3 906	3 906	5 738	3 906	3 906	3 906	5 736	3 906	3 906	5 617	55 867	58 666	62 304
Internal audit	13 045	13 045	13 510	13 045	13 045	13 642	13 045	13 045	13 045	13 510	13 045	13 045	17 927	162 952	177 316	178 525
Community and public safety	217	217	263	217	217	283	217	217	217	263	217	217	361	2 944	3 044	3 200
Community and social services	8 127	8 127	16 095	8 127	8 127	18 529	8 127	8 127	8 127	16 095	8 127	8 127	30 609	144 344	180 047	188 393
Public safety	1 287	1 287	1 380	1 287	1 287	1 383	1 287	1 287	1 287	1 380	1 287	1 287	2 314	16 752	16 977	18 015
Sport and recreation	3 260	3 260	4 383	3 260	3 260	4 383	3 260	3 260	3 260	4 383	3 260	3 260	18 579	58 238	61 149	63 419
Public safety	3 230	3 230	3 298	3 230	3 230	3 298	3 230	3 230	3 230	3 298	3 230	3 230	2 644	36 381	43 180	42 309
Housing	350	350	7 034	350	350	7 034	350	350	350	7 034	350	350	7 072	30 974	58 726	42 650
Health													—	—	—	—
Economic and environmental services																
Planning and development	13 949	13 944	14 663	13 949	13 944	27 256	13 949	13 944	13 944	14 663	13 944	13 944	28 416	196 571	204 572	210 648
Road transport	2 970	2 964	2 981	2 970	2 964	2 981	2 970	2 970	2 964	2 981	2 964	2 964	7 379	40 059	39 850	41 788
Environmental protection	9 981	9 981	10 683	9 981	9 981	23 276	9 981	9 981	9 981	10 683	9 981	9 981	23 484	147 972	155 566	159 420
Trading services	999	999	999	999	999	999	999	999	999	999	999	999	(2 447)	8 540	9 157	9 438
Energy sources	42 222	42 222	42 844	42 222	42 222	68 216	42 222	42 222	42 222	42 844	42 222	42 222	76 482	568 159	601 784	633 617
Water management	24 051	24 051	24 051	24 051	24 051	32 303	24 051	24 051	24 051	24 051	24 051	24 051	38 997	311 806	330 970	351 107
Waste water management	7 251	7 251	7 283	7 251	7 251	18 676	7 251	7 251	7 251	7 283	7 251	7 251	19 039	110 285	116 618	120 140
Waste management	5 597	5 597	5 768	5 597	5 597	10 932	5 597	5 597	5 597	5 768	5 597	5 597	11 670	78 918	83 689	87 737
Waste management	5 323	5 323	5 742	5 323	5 323	6 306	5 323	5 323	5 323	5 742	5 323	5 323	6 776	67 150	70 307	74 632
Other													300	3 408	3 507	3 743
Total Expenditure - Functional	83 080	81 731	93 436	81 731	81 731	131 984	81 731	81 736	81 731	93 452	82 184	81 731	159 711	1 134 245	1 229 047	1 258 428
Surplus/(Deficit)	(3 928)	(2 580)	24 956	(2 580)	(2 580)	(11 680)	(2 585)	(2 585)	(2 580)	24 940	(3 033)	(2 580)	(7 813)	7 951	1 053	30 765

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OVERSTRAND MUNICIPALITY

Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Multi-year expenditure to be appropriated</u>															
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	3 056	3 622	10 696	16 808	1 916	4 586	12 221	6 074	4 864	-	954	64 797	59 210	-
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	-	-	6 591	15 000	10 000	25 648	58 239	39 770	55 213
Vote 8 - Protection Services	-	-	-	-	-	-	-	3	125	-	-	373	500	-	-
<b>Capital multi-year expenditure sub-total</b>	-	<b>3 056</b>	<b>3 622</b>	<b>10 696</b>	<b>16 808</b>	<b>1 916</b>	<b>4 586</b>	<b>12 224</b>	<b>12 780</b>	<b>19 864</b>	<b>10 000</b>	<b>27 975</b>	<b>123 536</b>	<b>108 980</b>	<b>55 213</b>
<u>Single-year expenditure to be appropriated</u>															
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	20	20	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	1 027	-	-	1 027	-	-	1 027	-	-	1 007	4 086	-	-
Vote 4 - Finance	3	3	3	3	3	3	-	3	3	3	-	8	30	-	-
Vote 5 - Community Services	-	-	7 706	-	-	7 706	-	-	7 706	-	15 978	13 308	52 403	14 800	82 036
Vote 6 - Local Economic Development	-	-	1 406	-	-	1 406	-	-	1 406	-	-	1 406	5 625	-	-
Vote 7 - Infrastructure & Planning	-	-	275	-	-	275	-	-	275	-	-	275	1 100	9 750	-
Vote 8 - Protection Services	-	-	1 754	-	-	1 754	-	-	1 754	-	-	2 174	7 436	500	-
<b>Capital single-year expenditure sub-total</b>	<b>3</b>	<b>3</b>	<b>12 170</b>	<b>3</b>	<b>3</b>	<b>12 170</b>	<b>-</b>	<b>3</b>	<b>12 170</b>	<b>3</b>	<b>15 978</b>	<b>18 198</b>	<b>70 701</b>	<b>25 050</b>	<b>82 036</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>3 058</b>	<b>15 792</b>	<b>10 698</b>	<b>16 810</b>	<b>14 086</b>	<b>4 586</b>	<b>12 226</b>	<b>24 960</b>	<b>19 866</b>	<b>25 978</b>	<b>46 173</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



Table 52 MBRR SA29 - Budgeted monthly capital expenditure (functional classification)

WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital Expenditure - Functional</b>															
<i>Governance and administration</i>															
Executive and council	-	-	-	-	-	-	-	-	-	-	-	6 331	6 331	20 000	20 000
Finance and administration												20	20	-	-
Internal audit												6 311	6 311	20 000	20 000
<i>Community and public safety</i>															
Community and social services	-	-	-	-	-	-	-	-	-	-	-	57 710	57 710	38 480	37 813
Sport and recreation												4 999	4 999	3 500	2 500
Public safety												8 057	8 057	5 000	1 500
Housing												9 186	9 186	500	-
Health												35 467	35 467	29 480	33 813
<i>Economic and environmental services</i>															
Planning and development	-	-	-	-	-	-	-	-	-	-	-	18 821	18 821	4 000	2 000
Road transport												5 725	5 725	-	-
Environmental protection												13 096	13 096	4 000	2 000
<i>Trading services</i>															
Energy sources	-	-	-	-	-	-	-	-	-	-	-	111 375	111 375	71 550	77 436
Water management												24 772	24 772	20 040	21 400
Waste water management												30 077	30 077	32 072	32 075
Waste management												54 987	54 987	19 438	23 961
Other	3	3 058	15 792	10 698	16 810	14 086	4 586	12 226	24 960	19 866	25 978	1 540	1 540	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>3 058</b>	<b>15 792</b>	<b>10 698</b>	<b>16 810</b>	<b>14 086</b>	<b>4 586</b>	<b>12 226</b>	<b>24 960</b>	<b>19 866</b>	<b>25 978</b>	<b>46 173</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



Table 53 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Cash Receipts by Source</b>															
Property rates	19 183	19 183	19 183	19 183	19 183	20 817	19 183	19 183	19 183	19 183	19 183	20 812	233 454	247 086	253 832
Service charges - electricity revenue	30 276	30 276	30 276	30 276	30 276	30 281	30 276	30 276	30 276	30 276	30 276	27 355	360 401	375 944	407 955
Service charges - water revenue	9 668	9 668	9 668	9 668	9 668	9 669	9 668	9 668	9 668	9 668	9 668	9 141	116 013	122 754	131 042
Service charges - sanitation revenue	6 057	6 057	6 057	6 057	6 057	6 058	6 057	6 057	6 057	6 057	6 057	6 056	72 683	76 927	82 141
Service charges - refuse revenue	5 049	5 049	5 049	5 049	5 049	5 050	5 049	5 049	5 049	5 049	5 049	5 049	60 589	64 127	69 473
Rental of facilities and equipment	300	300	312	300	300	317	300	300	312	300	300	317	3 655	3 885	4 124
Interest earned - external investments	1 333	1 333	1 333	1 333	1 333	1 334	1 333	1 333	1 333	1 333	1 333	6 334	21 001	21 001	21 001
Interest earned - outstanding debits	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 922	4 157
Fines, penalties and tributes	1 011	1 011	1 021	1 011	1 011	1 021	1 011	1 011	1 021	1 011	1 011	1 021	12 173	14 268	16 489
Licences and permits	198	198	209	198	198	221	198	198	209	198	198	221	2 447	2 749	2 947
Agency services	308	308	315	308	308	315	308	308	315	308	308	315	3 726	3 970	4 187
Transfer receipts - operational	846	846	28 387	846	846	28 387	846	846	28 387	846	846	846	130 566	167 058	162 087
Other revenue	2 488	2 488	2 934	2 488	2 488	3 166	2 488	2 488	2 934	2 488	2 488	5 355	34 316	28 596	26 173
<b>Cash Receipts by Source</b>	<b>77 026</b>	<b>77 026</b>	<b>105 052</b>	<b>77 026</b>	<b>77 026</b>	<b>106 964</b>	<b>77 026</b>	<b>77 026</b>	<b>105 052</b>	<b>77 026</b>	<b>77 026</b>	<b>121 448</b>	<b>1 054 725</b>	<b>1 137 568</b>	<b>1 193 874</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	-	-	11 215	-	-	11 215	-	-	-	-	-	28 324	61 968	58 530	63 249
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	54 000	-	-	-	-	-	-	54 000	54 000	54 000
Borrowing long term/financing	328	328	328	328	328	328	328	328	328	328	328	328	3 937	4 252	3 444
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	1	1	1	-	1	1	1	1	1	1	1	1	10	10	7
Decrease (increase) in non-current investments	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(7 124)	(7 339)	(7 575)
<b>Total Cash Receipts by Source</b>	<b>76 761</b>	<b>76 761</b>	<b>116 002</b>	<b>76 761</b>	<b>76 761</b>	<b>171 914</b>	<b>76 761</b>	<b>76 761</b>	<b>116 002</b>	<b>76 761</b>	<b>76 761</b>	<b>149 508</b>	<b>1 187 516</b>	<b>1 247 021</b>	<b>1 306 799</b>
<b>Cash Payments by Type</b>															
Employee related costs	29 143	29 143	29 143	29 143	29 143	29 143	29 143	29 143	29 143	29 143	29 143	34 078	354 654	375 944	407 955
Remuneration of councillors	914	914	914	914	914	914	914	914	914	914	914	914	10 972	11 618	12 091
Finance charges	-	-	-	-	-	23 917	-	-	-	-	-	23 917	47 834	50 433	52 064
Bulk purchases - Electricity	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	25 657	238 588	255 610	273 856
Bulk purchases - Water & Sewer	2 446	2 441	9 408	2 446	2 441	9 432	2 446	2 441	9 408	2 446	2 441	9 803	57 602	89 068	74 195
Other materials	12 400	12 400	16 413	12 400	12 400	30 976	12 400	12 400	16 429	12 400	12 400	30 618	193 637	213 119	214 960
Contracted services	42	42	42	42	42	42	42	42	42	42	42	42	500	278	292
Transfers and grants - other municipalities	3 702	2 359	3 083	2 359	2 359	3 128	2 359	2 359	3 084	2 807	2 359	7 758	37 715	67 582	94 543
Other expenditure	68 005	66 857	78 362	66 862	66 857	116 910	66 862	66 857	78 378	67 110	66 857	132 768	941 503	1 063 553	1 129 977
<b>Cash Payments by Type</b>															
Other Cash Flows/Payments by Type															
Capital assets	3	3 058	15 792	10 688	16 810	14 086	4 586	12 226	24 960	19 866	25 978	46 173	194 237	134 030	137 249
Repayment of borrowing	1 451	1 050	949	6 626	1 360	4 808	1 515	1 129	1 011	7 009	1 439	5 646	33 993	38 428	41 636
<b>Total Cash Payments by Type</b>	<b>69 459</b>	<b>70 765</b>	<b>95 103</b>	<b>83 986</b>	<b>84 827</b>	<b>135 904</b>	<b>72 764</b>	<b>80 012</b>	<b>104 345</b>	<b>93 984</b>	<b>94 074</b>	<b>184 607</b>	<b>1 569 733</b>	<b>1 235 012</b>	<b>1 308 952</b>
<b>NET INCREASE/DECREASE IN CASH/HEED</b>	<b>7 302</b>	<b>5 996</b>	<b>20 899</b>	<b>(7 225)</b>	<b>(8 066)</b>	<b>36 110</b>	<b>3 997</b>	<b>(3 250)</b>	<b>11 654</b>	<b>(17 223)</b>	<b>(17 313)</b>	<b>(35 100)</b>	<b>(2 217)</b>	<b>11 009</b>	<b>(2 063)</b>
Cash/cash equivalents at the monthly year begin	382 460	389 762	395 758	416 658	409 433	401 367	437 477	441 474	438 224	449 878	432 654	380 242	382 460	380 242	391 251
Cash/cash equivalents at the monthly year end	389 762	395 758	416 658	409 433	401 367	437 477	441 474	438 224	449 878	432 654	415 342	380 242	382 460	380 242	389 188





## 2.10 Annual budgets and SDBIP

The final SDBIP will be tabled as a separate item at the Council meeting to be held on 30 May 2018, where after the Executive Mayor has 28 days to approve the SDBIP for 2018/2019.

## 2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy all contracts awarded beyond the medium-term revenue and expenditure framework (three years) are listed in Table 73 on page 111. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## 2.12 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, the repair and maintenance of assets and finally, the depreciation of assets. Information could not be populated for tables 34b & 34e of the 2018/2019 MTREF as the financial system has not yet been configured by the service provider to extract this information.



Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

WC032 Overstrand - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	63 679	44 603	52 681	28 205	28 238	28 238	112 050	75 550	79 436
Roads Infrastructure	1 320	16 352	17 300	5 155	11 691	11 691	12 506	4 000	2 000
Roads	1 320	16 352	17 300	5 155	11 691	11 691	12 506	4 000	2 000
Storm water Infrastructure	-	-	-	280	280	280	11 723	2 038	4 000
Drainage Collection	-	-	-	250	280	280	-	-	-
Electrical Infrastructure	10 581	18 237	10 400	15 700	15 520	15 520	22 772	20 040	21 400
HV Transmission Conductors	10 581	18 237	10 400	-	-	-	-	-	-
MV Substations	-	-	-	3 000	3 000	3 000	5 622	8 040	21 400
LV Networks	-	-	-	15 790	12 520	12 520	-	-	-
Water Supply Infrastructure	470	3 772	5 276	3 900	637	637	30 077	32 072	32 075
Dams and Weirs	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	3 900	637	637	16 363	10 472	18 075
Water Treatment Works	470	3 772	5 276	-	-	-	10 200	19 600	14 000
Distribution	-	-	-	-	-	-	3 514	2 000	-
Sanitation Infrastructure	8 833	6 217	5 718	-	-	-	34 873	17 400	19 961
Reticulation	-	-	-	-	-	-	435	-	-
Waste Water Treatment Works	8 833	6 217	5 718	-	-	-	21 062	1 400	-
Solid Waste Infrastructure	42 473	25	8 930	110	110	110	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	42 473	25	8 930	110	110	110	-	-	-
<b>Community Assets</b>	5 258	29 837	2 212	4 579	3 380	3 380	24 037	9 000	4 000
Community Facilities	5 258	29 837	2 212	4 579	3 380	3 380	16 380	4 000	2 500
Halls	5 258	29 837	2 212	421	445	445	3 664	2 500	2 500
Crèches	-	-	-	100	100	100	245	-	-
Fire/Ambulance Stations	-	-	-	3 798	2 575	2 575	5 576	500	-
Libraries	-	-	-	-	-	-	600	-	-
Cemeteries/Crematoria	-	-	-	260	260	260	570	1 000	-
Sport and Recreation Facilities	-	-	-	1 966	6 449	6 449	7 657	5 000	1 500
Outdoor Facilities	-	-	-	1 966	6 449	6 449	7 657	5 000	1 500
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	8 239	4 809	2 497	17 186	37 890	37 890	36 888	29 480	33 813
Operational Buildings	8 239	4 809	2 497	-	-	-	1 421	-	-
Municipal Offices	8 239	4 809	2 497	-	-	-	1 421	-	-
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
Social Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
<b>Computer Equipment</b>	-	-	-	1 620	1 620	1 620	4 136	-	-
Computer Equipment	-	-	-	1 620	1 620	1 620	4 136	-	-
<b>Furniture and Office Equipment</b>	-	-	-	120	120	120	216	-	-
Furniture and Office Equipment	-	-	-	120	120	120	216	-	-
<b>Transport Assets</b>	-	-	-	600	600	600	15 345	20 000	20 000
Transport Assets	-	-	-	600	600	600	15 345	20 000	20 000
<b>Total Capital Expenditure on new assets</b>	77 176	70 240	57 300	54 426	78 867	78 867	194 237	134 030	137 249

**Table 55 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

WC032 Overstrand - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	31 161	12 992	33 214	11 280	7 713	7 713	-	-	-
Roads Infrastructure	6 300	-	11 809	2 080	2 080	2 080	-	-	-
Roads	6 300	-	11 809	2 080	2 080	2 080	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	3 100	-	-	1 000	1 000	1 000	-	-	-
MV Networks	-	-	-	1 000	1 000	1 000	-	-	-
Water Supply Infrastructure	15 805	10 460	10 496	900	900	900	-	-	-
Dams and Weirs	-	-	-	-	-	-	-	-	-
Water Treatment Works	15 805	10 460	10 496	900	900	900	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	3 067	2 531	9 169	5 800	2 263	2 263	-	-	-
Waste Water Treatment Works	3 067	2 531	9 169	5 800	2 263	2 263	-	-	-
Solid Waste Infrastructure	2 889	-	1 740	1 500	1 470	1 470	-	-	-
Waste Transfer Stations	2 889	-	1 740	1 500	1 470	1 470	-	-	-
<b>Community Assets</b>	1 565	2 893	1 265	-	-	-	-	-	-
Community Facilities	1 565	2 893	1 265	-	-	-	-	-	-
Halls	1 565	2 893	1 265	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>32 727</b>	<b>15 884</b>	<b>34 479</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>0.0%</b>	<b>16.7%</b>	<b>37.5%</b>	<b>11.6%</b>	<b>6.6%</b>	<b>6.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>28.7%</b>	<b>12.9%</b>	<b>26.0%</b>	<b>8.7%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>



Table 56 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	136 809	111 830	110 302	132 740	139 160	139 160	149 690	161 198	170 275
Roads Infrastructure	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	69 598
Roads	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	69 598
Stormwater Infrastructure	5 398	5 260	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Stormwater Conveyance	5 398	5 260	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Electrical Infrastructure	26 276	16 972	17 747	18 970	18 970	18 970	23 747	25 098	26 511
HV Transmission Conductors	26 276	16 972	17 747	18 970	18 970	18 970	23 747	25 098	26 511
Water Supply Infrastructure	25 811	16 006	16 489	17 549	17 549	17 549	19 104	20 599	21 717
Dams and Weirs									
Water Treatment Works	25 811	16 006	16 489	17 549	17 549	17 549	19 104	20 599	21 717
Sanitation Infrastructure	16 060	11 512	11 672	16 500	16 525	16 525	13 842	14 533	15 378
Waste Water Treatment Works	16 060	11 512	11 672	16 500	16 525	16 525	13 842	14 533	15 378
Solid Waste Infrastructure	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
Waste Transfer Stations	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
<b>Community Assets</b>	7 338	-	4 867	10 549	13 798	13 798	41 017	43 625	45 700
Community Facilities	6 601	-	4 867	5 895	7 327	7 327	27 714	29 669	31 232
Halls	1 166			2 523	2 718	2 718	3 712	4 029	4 262
Fire/Ambulance Stations	1 352								
Libraries	107			205	205	205	24	25	26
Cemeteries/Crematoria	74			57	57	57	842	901	954
Public Open Space	314		4 867	3 110	4 347	4 347	23 136	24 714	25 989
Public Ablution Facilities	2 759								
Sport and Recreation Facilities	737	-	-	4 654	6 471	6 471	13 304	13 956	14 468
Outdoor Facilities	737			4 654	6 471	6 471	13 304	13 956	14 468
<b>Other assets</b>	10 287	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Operational Buildings	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Municipal Offices	10 110	9 541		6 942	9 202	9 202	12 497	11 283	11 869
Housing	177	-	-	-	-	-	-	-	-
Social Housing	177								
<b>Computer Equipment</b>	4 392	-	5 536	5 384	5 787	5 787	5 387	5 937	5 964
Computer Equipment	4 392		5 536	5 384	5 787	5 787	5 387	5 937	5 964
<b>Furniture and Office Equipment</b>	-	-	-	13 663	23 288	23 288	16 622	17 468	18 310
Furniture and Office Equipment				13 663	23 288	23 288	16 622	17 468	18 310
<b>Total Repairs and Maintenance Expenditure</b>	<b>158 026</b>	<b>109 377</b>	<b>120 795</b>	<b>169 284</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>



Table 57 MBRR SA34d – Depreciation by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	106 893	106 893	111 726	112 337	112 337	112 337	112 443	109 997	109 303
Roads Infrastructure	31 182	31 216	31 811	36 600	36 600	36 600	32 858	32 855	32 473
Roads	31 182	31 216	31 811	36 600	36 600	36 600	32 858	32 855	32 473
Storm water Infrastructure	5 390	5 500	5 741	3 465	3 465	3 465	5 912	5 912	5 906
Storm water Conveyance	5 390	5 500	5 741	3 465	3 465	3 465	5 912	5 912	5 906
Electrical Infrastructure	26 096	24 084	27 997	25 118	25 118	25 118	25 149	25 149	25 149
HV Transmission Conductors	26 096	24 084	27 997	25 118	25 118	25 118	25 149	25 149	25 149
Water Supply Infrastructure	26 612	26 570	28 338	27 354	27 354	27 354	27 462	27 443	27 253
Water Treatment Works	26 612	26 570	28 338	11 598	11 598	11 598	27 462	27 443	27 253
Distribution				15 756	15 756	15 756			
Sanitation Infrastructure	15 477	15 609	17 631	15 886	15 886	15 886	16 299	16 410	16 344
Reticulation	15 477	15 609	17 631	12 467	12 467	12 467	16 299	16 410	16 344
Waste Water Treatment Works				3 419	3 419	3 419			
Solid Waste Infrastructure	2 192	3 915	3 709	3 915	3 915	3 915	4 763	2 229	2 178
Landfill Sites									
Waste Transfer Stations	2 192	3 915	3 709	3 915	3 915	3 915	4 763	2 229	2 178
<b>Community Assets</b>	-	-	2 452	766	766	766	3 029	3 029	3 017
Sport and Recreation Facilities	-	-	2 452	766	766	766	3 029	3 029	3 017
Indoor Facilities									
<b>Other assets</b>	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
Operational Buildings	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
Municipal Offices	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
<b>Intangible Assets</b>	404	214	448	615	615	615	653	891	-
Services									
Licences and Rights	404	214	448	615	615	615	653	891	-
Computer Software and Applications	404	214	448	615	615	615	653	891	-
Unspecified									
<b>Computer Equipment</b>	-	-	1 416	788	788	788	1 347	1 243	1 065
Computer Equipment			1 416	788	788	788	1 347	1 243	1 065
<b>Furniture and Office Equipment</b>	2 019	2 176	904	4 035	4 035	4 035	609	1 317	2 252
Furniture and Office Equipment	2 019	2 176	904	4 035	4 035	4 035	609	1 317	2 252
<b>Machinery and Equipment</b>	1 122	781	694	-	-	-	687	652	531
Machinery and Equipment	1 122	781	694				687	652	531
<b>Transport Assets</b>	1 643	2 356	3 122	678	678	678	2 777	2 750	2 710
Transport Assets	1 643	2 356	3 122	678	678	678	2 777	2 750	2 710
<b>Total Depreciation</b>	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899



**Table 58 MBRR SA34e - Capital expenditure on the upgrading of existing assets by asset class**

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	-	-	28 060	28 060	28 060	-	-	-
Roads Infrastructure	-	-	-	180	180	180	-	-	-
Roads	-	-	-	180	180	180	-	-	-
Stormwater Infrastructure	-	-	-	8 800	8 355	8 355	-	-	-
Drainage Collection	-	-	-	8 800	8 355	8 355	-	-	-
Water Supply Infrastructure	-	-	-	4 500	2 500	2 500	-	-	-
Distribution	-	-	-	4 500	2 500	2 500	-	-	-
Sanitation Infrastructure	-	-	-	17 025	17 025	17 025	-	-	-
Pump Station	-	-	-	5 000	5 000	5 000	-	-	-
Reticalation	-	-	-	3 100	3 100	3 100	-	-	-
Waste Water Treatment Works	-	-	-	8 585	8 585	8 585	-	-	-
<b>Community Assets</b>	-	-	-	3 177	1 920	1 920	-	-	-
Community Facilities	-	-	-	2 877	1 920	1 920	-	-	-
Halls	-	-	-	1 685	200	200	-	-	-
Fire/Ambulance Stations	-	-	-	50	50	50	-	-	-
Libraries	-	-	-	1 132	1 670	1 670	-	-	-
Sport and Recreation Facilities	-	-	-	300	-	-	-	-	-
Outdoor Facilities	-	-	-	300	-	-	-	-	-
<b>Other assets</b>	-	-	-	60	60	60	-	-	-
Operational Buildings	-	-	-	60	60	60	-	-	-
Municipal Offices	-	-	-	60	60	60	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	-	-	-	31 742	30 040	30 040	-	-	-
<b>Upgrading of Existing Assets as % of total capex</b>	0.0%	0.0%	0.0%	35.9%	35.0%	35.0%	0.0%	0.0%	0.0%
<b>Upgrading of Existing Assets as % of deprecn</b>	0.0%	0.0%	0.0%	27.0%	23.6%	23.6%	0.0%	0.0%	0.0%

**Table 59 MBRR SA35 - Future financial implications of the capital budget**

**WC032 Overstrand - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
<b>R thousand</b>							
<b>Capital expenditure</b>							
Vote 1 - Council	20	-	-				
Vote 2 - Municipal Manager	-	-	-				
Vote 3 - Management Services	4 086	-	-				
Vote 4 - Finance	30	-	-				
Vote 5 - Community Services	117 201	84 010	82 036	Project phases become operational after completion			
Vote 6 - Local Economic Development	5 625	-	-				
Vote 7 - Infrastructure & Planning	59 339	49 520	55 213	Project phases become operational after completion			
Vote 8 - Protection Services	7 936	500	-				
<b>Total Capital Expenditure</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>	-	-	-	-
<b>Future operational costs by vote</b>							
Vote 5 - Community Services		2 764	6 758	11 491	12 025	12 560	156 330
Vote 6 - Local Economic Development							
Vote 7 - Infrastructure & Planning		4 725	9 534	17 011	17 802	18 594	231 431
Vote 8 - Protection Services							
<b>Total future operational costs</b>	-	7 489	16 291	28 502	29 828	31 154	387 761
<b>Future revenue by source</b>							
Property rates							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
<b>Net Financial Implications</b>	<b>194 237</b>	<b>141 519</b>	<b>153 540</b>	<b>28 502</b>	<b>29 828</b>	<b>31 154</b>	<b>387 761</b>

Item #	Item Name	Item Description	Type	MTF Service Outcome	LEAF	Own Storage	Asset Class	Asset Sub-Class	Map Location	918 Longitude	918 Latitude	Asset #	Year	2018-19 Budget Year	2019-20 Budget Year	2020-21 Budget Year	2021-22 Budget Year	2022-23 Budget Year	2023-24 Budget Year	2024-25 Budget Year	2025-26 Budget Year	2026-27 Budget Year	2027-28 Budget Year	2028-29 Budget Year	2029-30 Budget Year	2030-31 Budget Year	2031-32 Budget Year	2032-33 Budget Year	2033-34 Budget Year	2034-35 Budget Year	2035-36 Budget Year	2036-37 Budget Year	2037-38 Budget Year	2038-39 Budget Year	2039-40 Budget Year	2040-41 Budget Year	2041-42 Budget Year	2042-43 Budget Year	2043-44 Budget Year	2044-45 Budget Year	2045-46 Budget Year	2046-47 Budget Year	2047-48 Budget Year	2048-49 Budget Year	2049-50 Budget Year	2050-51 Budget Year	2051-52 Budget Year	2052-53 Budget Year	2053-54 Budget Year	2054-55 Budget Year	2055-56 Budget Year	2056-57 Budget Year	2057-58 Budget Year	2058-59 Budget Year	2059-60 Budget Year	2060-61 Budget Year	2061-62 Budget Year	2062-63 Budget Year	2063-64 Budget Year	2064-65 Budget Year	2065-66 Budget Year	2066-67 Budget Year	2067-68 Budget Year	2068-69 Budget Year	2069-70 Budget Year	2070-71 Budget Year	2071-72 Budget Year	2072-73 Budget Year	2073-74 Budget Year	2074-75 Budget Year	2075-76 Budget Year	2076-77 Budget Year	2077-78 Budget Year	2078-79 Budget Year	2079-80 Budget Year	2080-81 Budget Year	2081-82 Budget Year	2082-83 Budget Year	2083-84 Budget Year	2084-85 Budget Year	2085-86 Budget Year	2086-87 Budget Year	2087-88 Budget Year	2088-89 Budget Year	2089-90 Budget Year	2090-91 Budget Year	2091-92 Budget Year	2092-93 Budget Year	2093-94 Budget Year	2094-95 Budget Year	2095-96 Budget Year	2096-97 Budget Year	2097-98 Budget Year	2098-99 Budget Year	2099-00 Budget Year	2100-01 Budget Year	2101-02 Budget Year	2102-03 Budget Year	2103-04 Budget Year	2104-05 Budget Year	2105-06 Budget Year	2106-07 Budget Year	2107-08 Budget Year	2108-09 Budget Year	2109-10 Budget Year	2110-11 Budget Year	2111-12 Budget Year	2112-13 Budget Year	2113-14 Budget Year	2114-15 Budget Year	2115-16 Budget Year	2116-17 Budget Year	2117-18 Budget Year	2118-19 Budget Year	2119-20 Budget Year	2120-21 Budget Year	2121-22 Budget Year	2122-23 Budget Year	2123-24 Budget Year	2124-25 Budget Year	2125-26 Budget Year	2126-27 Budget Year	2127-28 Budget Year	2128-29 Budget Year	2129-30 Budget Year	2130-31 Budget Year	2131-32 Budget Year	2132-33 Budget Year	2133-34 Budget Year	2134-35 Budget Year	2135-36 Budget Year	2136-37 Budget Year	2137-38 Budget Year	2138-39 Budget Year	2139-40 Budget Year	2140-41 Budget Year	2141-42 Budget Year	2142-43 Budget Year	2143-44 Budget Year	2144-45 Budget Year	2145-46 Budget Year	2146-47 Budget Year	2147-48 Budget Year	2148-49 Budget Year	2149-50 Budget Year	2150-51 Budget Year	2151-52 Budget Year	2152-53 Budget Year	2153-54 Budget Year	2154-55 Budget Year	2155-56 Budget Year	2156-57 Budget Year	2157-58 Budget Year	2158-59 Budget Year	2159-60 Budget Year	2160-61 Budget Year	2161-62 Budget Year	2162-63 Budget Year	2163-64 Budget Year	2164-65 Budget Year	2165-66 Budget Year	2166-67 Budget Year	2167-68 Budget Year	2168-69 Budget Year	2169-70 Budget Year	2170-71 Budget Year	2171-72 Budget Year	2172-73 Budget Year	2173-74 Budget Year	2174-75 Budget Year	2175-76 Budget Year	2176-77 Budget Year	2177-78 Budget Year	2178-79 Budget Year	2179-80 Budget Year	2180-81 Budget Year	2181-82 Budget Year	2182-83 Budget Year	2183-84 Budget Year	2184-85 Budget Year	2185-86 Budget Year	2186-87 Budget Year	2187-88 Budget Year	2188-89 Budget Year	2189-90 Budget Year	2190-91 Budget Year	2191-92 Budget Year	2192-93 Budget Year	2193-94 Budget Year	2194-95 Budget Year	2195-96 Budget Year	2196-97 Budget Year	2197-98 Budget Year	2198-99 Budget Year	2199-00 Budget Year	2200-01 Budget Year	2201-02 Budget Year	2202-03 Budget Year	2203-04 Budget Year	2204-05 Budget Year	2205-06 Budget Year	2206-07 Budget Year	2207-08 Budget Year	2208-09 Budget Year	2209-10 Budget Year	2210-11 Budget Year	2211-12 Budget Year	2212-13 Budget Year	2213-14 Budget Year	2214-15 Budget Year	2215-16 Budget Year	2216-17 Budget Year	2217-18 Budget Year	2218-19 Budget Year	2219-20 Budget Year	2220-21 Budget Year	2221-22 Budget Year	2222-23 Budget Year	2223-24 Budget Year	2224-25 Budget Year	2225-26 Budget Year	2226-27 Budget Year	2227-28 Budget Year	2228-29 Budget Year	2229-30 Budget Year	2230-31 Budget Year	2231-32 Budget Year	2232-33 Budget Year	2233-34 Budget Year	2234-35 Budget Year	2235-36 Budget Year	2236-37 Budget Year	2237-38 Budget Year	2238-39 Budget Year	2239-40 Budget Year	2240-41 Budget Year	2241-42 Budget Year	2242-43 Budget Year	2243-44 Budget Year	2244-45 Budget Year	2245-46 Budget Year	2246-47 Budget Year	2247-48 Budget Year	2248-49 Budget Year	2249-50 Budget Year	2250-51 Budget Year	2251-52 Budget Year	2252-53 Budget Year	2253-54 Budget Year	2254-55 Budget Year	2255-56 Budget Year	2256-57 Budget Year	2257-58 Budget Year	2258-59 Budget Year	2259-60 Budget Year	2260-61 Budget Year	2261-62 Budget Year	2262-63 Budget Year	2263-64 Budget Year	2264-65 Budget Year	2265-66 Budget Year	2266-67 Budget Year	2267-68 Budget Year	2268-69 Budget Year	2269-70 Budget Year	2270-71 Budget Year	2271-72 Budget Year	2272-73 Budget Year	2273-74 Budget Year	2274-75 Budget Year	2275-76 Budget Year	2276-77 Budget Year	2277-78 Budget Year	2278-79 Budget Year	2279-80 Budget Year	2280-81 Budget Year	2281-82 Budget Year	2282-8
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## Detailed capital budget per municipal vote (continued)

R-Project	Function	Project Description	Type	LTPF Service Outcome	LTPF	Own Assets Objectives	Asset Class	Asset Sub-Class	Name of Location	GPR Longitude	GPR Latitude	Approved Outcome 2018/17	Current Year 2017/16 Full Year Forecast	Budget Year 2018/17	Budget Year +1 2019/20	Budget Year +2 2020/21	2018/19 Medium Term Revenue & Expenditure in million rands
SPORTS RECREATION		ANTIPICAL TURF SOCCERFIELD	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S	1 827	6 440	25 000	1 500		
		LAND R. RESERVE OFFICES FOR SPORT	Non	9	2	4	Landscaping and Environment	Other	Landscaping and Environment	Overstrand	Overstrand						
		HERMANUS SPORTS COMPLEX PROJECT	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 03	34°48'19.244 Degrees	34°48'19.244 Degrees			5 077	100		
		PLAYPARK	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 01	1658° 346 02	1658° 346 02			80	80		
		TOUR ROUTE PLAY PARK	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 02	1658° 346 02	1658° 346 02			50	50		
		RENOVATION OF LANE STREET LUBBER BASKETBALL COURT, JOUBERT ST	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			150	150		
		NO. 10 FOR ZWELHE EDWARDS GYMNASIUM SAFETY GATES	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			40	40		
		PURCHASING OF PLAY PARK EQUIPMENT AND SETTING AREAS	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			60	60		
		INSTALLATION OF RETRO TURF	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			100	100		
		CONSTRUCTION OF PLAY EQUIPMENT AND SETTING AREAS	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			80	80		
		UPGRADE OF PLAY PARK AT BURNAY	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			10	10		
		UPGRADE OF PLAY PARK AT BURNAY	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			150	150		
		OUTDOOR TRAIL AT LANE BEACH	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			70	70		
		FENCING AT METRAL COURT	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			30	30		
		UPGRADE OF PUBLIC LAUNCHING SITE	Non	9	2	4	Community Facilities	Public Open Space	Ward 08	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			80	80		
		PURCHASING OF PLAY PARK EQUIPMENT, LUNA, STAZELLA STREET.	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 11	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			20	20		
		PURCHASING OF OUTDOOR GYM EQUIPMENT	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			70	70		
ROADS		PURCHASING OF CONCRETE ROADS AND ROADS AT MOLELA	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			30	30		
		CONSTRUCTION OF PLAY EQUIPMENT AND SETTING AREAS	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			100	100		
		INSTALLATION OF RETRO TURF	Non	9	2	4	Sports and Recreation Facilities	Outdoor Facilities	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			40	40		
		RE-DESIGN OF CHURCH BEACH AREA	Non	9	2	4	Community Facilities	Other	Ward 12	19°23'30"E 34°42'57"S	19°23'30"E 34°42'57"S			400	400		
		RE-DESIGN OF PARKS	Non	9	2	4	Community Facilities	Other	Overstrand	Overstrand	Overstrand	10 668	27 660			18 017	
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 01	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			8 468	8 468		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 08	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			1 500	1 500		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 05	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			1 484	1 484		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 05	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			5 518	5 518		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 05	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			10 023	10 023		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 02	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			2 223	2 223		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 02	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			11 739	11 739		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 02	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			2 000	2 000		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 02	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			2 000	2 000		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 03	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			3 000	3 000		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 03	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			200	200		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 01	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		LANDSCAPING	Non	9	2	4	Landscaping	Social Housing	Ward 01	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			225	225		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			150	150		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			100	100		
		UPGRADE OF BURNAY	Non	9	2	4	Landscaping	Social Housing	Ward 04	34°42'57"S 19°23'30"E	34°42'57"S 19°23'30"E			50	50		





# Detailed capital budget per municipal vote (continued)

Function	Project Description	Type	Municipal Service Outcome	LSP	Own Strategic Objectives	Asset Class	Asset Sub-Class	Year of Location	0 00 Longitude	0 00 Latitude	Audited Outcome 2018/17	Current Year 2017/18 Real Year Forecast	2018/19 Medium Term Revenue & Expenditure Forecast	
													Budget Year 2018/19	Budget Year +2 2020/21
ROADS	IMPROVEMENT OF ROADS - SANDHILL	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 07	19°20'40"E 34°42'07"S	19°20'40"E 34°42'07"S	2 000	2 000	2 000	2 000
	SUB-SUBSIDY PROJECTS	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 10	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	TRIPPO CALLING	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 11	19°04'34"E 34°42'07"S	19°04'34"E 34°42'07"S	50	50	50	50
	TRIPPO CALLING	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 11	19°04'34"E 34°42'07"S	19°04'34"E 34°42'07"S	50	50	50	50
	ATLANTIC DRIVE/REHABILITATION	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 12	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
	GENERAL - COASTAL STREET	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 13	19°07'00"E 34°42'07"S	19°07'00"E 34°42'07"S	100	100	100	100
ELECTRICITY	IMPROVEMENT OF LION CO-OP HOUSING AREAS (R&P)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	STREET LIGHTS - HARBOR STREET (OPPOSITE LIBRARY)	New	9	2	2	ROADS IN INFRASTRUCTURE	ROADS	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
WATER	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100
	WATER MASTER PLAN IMPLEMENTATION	New	9	2	2	WATER SUPPLY IN INFRASTRUCTURE	WATER	Year 01	19°05'54"E 34°23'23"S	19°05'54"E 34°23'23"S	100	100	100	100



# Detailed capital budget per municipal vote (continued)

Function	Project Description	Type	LTFP Service Outcome	Own Budget Outcomes	Asset Class	Asset Sub-Class	Maid Location	019 Longitude	019 Latitude	Audited Outcome 2016/17	Current Year 2017/18 RMB	Budget Year 2018/19 RMB	Budget Year 2019/20 RMB	2019/20 Medium Term Revenue & Expenditure Forecasts
WATER	SEWERAGE FACILITIES (CONTINUED)	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	14 587	14 587	500	500	
	KLEINHOOP - SEWER NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	4 020	4 020	500	500	
	UPGRADING OF ROODPOORT KAPPELME	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	4 020	4 020	500	500	
	UPGRADING OF ROODPOORT KAPPELME	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	10 177	10 177	500	500	
	UPGRADING OF BULK WATER SUPPLY	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	3 281	3 281	500	500	
	KLEINHOOP - WATER NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	2 500	2 500	500	500	
	UPGRADING OF BULK WATER SUPPLY	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	1 000	1 000	500	500	
	UPGRADE BULK SEWER	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	2 000	2 000	500	500	
	UPGRADE BULK SEWER	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	2 000	2 000	500	500	
	REPLACEMENT OF BULK SEWER TO WITWAT	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	3 000	3 000	500	500	
	SEWERAGE NETWORK EXTENSION AND REPLACEMENT	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	4 000	4 000	500	500	
	QUADRANT OLD SEWER NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	4 000	4 000	500	500	
	EXTENSION OF THE SEWER NETWORK (KLEINHOOP)	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	4 000	4 000	500	500	
	VEHICLE SERVICE	Net	0	2	Transport Assets	Construction	Overseas	Overseas	Overseas	500	500	500	500	
	UPGRADING OF PUMP STATION 18 & 19 MAIN	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	500	500	500	500	
WATER	EXTENSION OF SEWERAGE NETWORK STREET VIEW	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	2 310	2 310	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
	SEWERAGE NETWORK EXTENSION	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	13 370	13 370	500	500	
WASTE	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	
	WASTE	Net	0	2	Sanitation Infrastructure	Construction	Overseas	Overseas	Overseas	12	12	500	500	



Table 61 MBRR SA37 - Projects delayed from previous financial year

R thousand	Function	Project name	Type	MTSF Service Outcome	UDF Outcome	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	2018/19 Medium Term Revenue & Expenditure Framework			
													Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20
Parent municipality: PUBLIC SAFETY ELECTRICITY WATER SEWERAGE SEWERAGE SPORT & RECREATION FINANCE AND ADMIN SEWERAGE		LAW ENFORCEMENT FACILITIES ALTERATIONS AND HERMANUS MV & LV UPGRADE/REPLACEMENT	New	3	4	4	Operational Bul	Municipal Office	Ward 04	-34.402 19.211	-34.402 19.211		1 500	500		
		NEW RESERVOIR FOR PRINGLE BAY	New	9	2	2	Electrical Infra	MV Networks	Ward 03	34°24'13.34"S 19°16'07.01"E	34°24'13.34"S 19°16'07.01"E		4 650	1 000		
		UPGRADING OF KIDROOKE PIPELINE	New	9	2	2	Water Supply	Reservoirs	Ward 10	S34.336437° / E19° S34.336437° / E19.006527°	S34.336437° / E19° S34.336437° / E19.006527°		3 810	547		
		WWTW UPGRADE - STANFORD	New	9	2	2	Sanitation Infra	Distribution	Ward 13	S34°24.810' / E19° S34°24.810' / E19°10.001	S34°24.810' / E19° S34°24.810' / E19°10.001		3 100	1 315		
		HERMANUS SPORTS COMPLEX PROJECT	New	9	2	2	Sanitation Infra	Waste Water T	Ward 11	S34.446248° / E19° S34.446248° / E19°44.6291°	S34.446248° / E19° S34.446248° / E19°44.6291°		4 152	2 400		
		VEHICLES-OPERATIONAL MANAGER-STANFORD	New	9	2	4	Sport and Rec	Outdoor Facility	Ward 03	34.408 19.244 Deg 34.408 19 244 Degrees	34.408 19.244 Deg 34.408 19 244 Degrees		600	800		
		UPGRADING OF PUMPSTATIONS & RISING MAINS	New	9	4	1	Transport Asset	Other	Overstrand	Overstrand wide	Overstrand wide		5 000	5 000		
				New	9	2	Sanitation Infra	Pump Stations	Overstrand	Overstrand	Overstrand			385		
														1 925		



## 2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format is being fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is being fully complied with and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and currently has five interns in the programme.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The draft SDBIP document will be tabled in council on 30 May 2018 and is aligned and informs the 2018/19 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
In excess of 120 municipal officials of Overstrand Municipality has completed the MFMA training.
8. Policies  
All budget related policies have been reviewed and will be tabled in Council on 30 May 2018.



## 2.14 Other supporting documents

Table 62 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	189 017	204 277	245 478	264 495	266 462	266 462	285 982	303 141	321 329
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	36 411	39 791	48 431	51 711	51 711	51 711	50 983	54 042	57 285
Net Property Rates	152 607	164 486	197 047	212 784	214 752	214 752	234 999	249 099	264 044
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	290 576	326 815	358 902	368 773	368 794	368 794	396 507	423 465	456 931
less Revenue Foregone (in excess of 50 kwh per indigent household per month)				1 657	1 657	1 657			
less Cost of Free Basis Services (50 kwh per indigent household per month)	2 822	2 215	3 448	27 867	27 867	27 867	33 723	38 958	40 386
Net Service charges - electricity revenue	287 754	324 599	355 454	339 249	339 270	339 270	362 784	384 507	407 545
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	109 557	115 499	124 790	127 831	130 456	130 456	132 172	141 484	153 581
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)				2 276	2 276	2 276	779	849	1 015
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	1 240	1 320	1 726	11 060	11 060	11 060	14 612	16 880	21 399
Net Service charges - water revenue	108 318	114 179	123 064	114 494	117 120	117 120	116 781	123 754	131 147
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	68 581	72 651	79 177	78 917	83 917	83 917	89 179	96 034	105 609
less Revenue Foregone (in excess of free sanitation service to indigent households)				271	271	271	318	346	414
less Cost of Free Basis Services (free sanitation service to indigent households)	-	-	-	10 776	10 776	10 776	15 697	18 134	22 988
Net Service charges - sanitation revenue	68 581	72 651	79 177	67 870	72 870	72 870	73 164	77 554	82 207
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	56 770	61 689	66 215	70 200	71 700	71 700	76 212	82 234	90 821
Total landfill revenue					858	858			
less Revenue Foregone (in excess of one removal a week to indigent households)									
less Cost of Free Basis Services (removed once a week to indigent households)	-	-	-	13 954	13 954	13 954	15 223	17 586	22 293
Net Service charges - refuse revenue	56 770	61 689	66 215	56 246	60 286	60 286	60 989	64 649	68 528
<b>Other Revenue by source</b>									
Building Plan Approval	4 893	8 057	7 382	7 367	7 367	7 367	6 658	9 188	9 739
Camping Fees				6 106	6 106	6 106	6 473	6 861	7 273
Gains				3 000	3 000	3 000	2 000	2 000	2 000
Collection Charges	3 506	2 811	2 889	2 703	2 703	2 703	3 800	4 028	4 270
Development Charges	2 652	7 486	3 710	2 059	2 059	2 059	2 475	2 579	3 688
Parking Fees				1 706	706	706	420	427	435
Management Fees				1 025	1 025	1 025	976	1 034	1 096
Registration Fees				657	657	657	697	738	783
Clearance Certificates	459		594	594	594	594	500	530	562
Fire Services				530	530	530	1 000	1 060	1 124
Administrative Handling Fees	-			490	491	491	250	265	281
OTHER	10 822	10 814	19 333	1 709	1 813	1 813	4 169	4 395	3 634
Total 'Other' Revenue	22 331	29 653	33 908	27 040	27 052	27 052	31 427	33 105	34 884



## Supporting detail to budgeted financial performance (Continued)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	177 732	183 952	199 704	214 753	210 022	210 022	236 060	248 909	262 960
Pension and JIF Contributions	27 068	29 587	33 606	35 806	35 564	35 564	39 574	42 181	44 594
Medical Aid Contributions	9 363	9 829	10 523	12 625	12 433	12 433	13 679	14 243	14 677
Overtime	14 765	15 732	15 610	15 622	16 076	16 076	23 606	24 999	26 473
Performance Bonus					-	-	210	220	230
Motor Vehicle Allowance	9 634	7 222	7 602	8 213	8 213	8 213	8 203	8 295	8 299
Cellphone Allowance	1 750	1 582	1 643	1 649	1 624	1 624	2 243	2 366	2 477
Housing Allowances	944	4 608	5 064	5 405	5 340	5 340	2 542	2 542	2 542
Other benefits and allowances	10 957	11 569	12 362	29 993	27 235	27 235	26 983	28 446	29 884
Payments in lieu of leave	1 414	1 815	1 385	765	965	965	1 062	1 168	1 285
Long service awards	1 816	2 288	1 836	669	1 769	1 769	1 946	2 140	2 354
Post-retirement benefit obligations	14 378	6 361	12 585	7 724	9 924	9 924	10 916	12 008	13 209
<b>sub-total</b>	<b>269 820</b>	<b>274 564</b>	<b>301 919</b>	<b>333 225</b>	<b>329 165</b>	<b>329 165</b>	<b>387 024</b>	<b>387 518</b>	<b>408 985</b>
<b>Less: Employees costs capitalised to PPE</b>									
<b>Total Employee related costs</b>	<b>269 820</b>	<b>274 564</b>	<b>301 919</b>	<b>333 225</b>	<b>329 165</b>	<b>329 165</b>	<b>387 024</b>	<b>387 518</b>	<b>408 985</b>
<b>Contributions recognised - capital</b>									
Public contribution - non cash - assets									
DWA ACIP project									
Government contribution - non cash - assets									
KM CSIR									
Spaces for sport/Lotto									
Eskom Solar Rebate/ Stony Point Eco Centre etc									
<b>Total Contributions recognised - capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	119 417	122 214	124 787	130 287	130 287	130 287	130 362	128 876	127 899
Lease amortisation	65								
Capital asset impairment	3 077	695	7 676						
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset Impairment</b>	<b>122 559</b>	<b>122 909</b>	<b>132 463</b>	<b>130 287</b>	<b>130 287</b>	<b>130 287</b>	<b>130 362</b>	<b>128 876</b>	<b>127 899</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	167 660	194 620	217 523	211 447	216 447	216 447	238 588	255 610	273 856
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>167 660</b>	<b>194 620</b>	<b>217 523</b>	<b>211 447</b>	<b>216 447</b>	<b>216 447</b>	<b>238 588</b>	<b>255 610</b>	<b>273 856</b>
<b>Transfers and grants</b>									
Cash transfers and grants	43 933	50 757	56 103	1 778	1 778	1 778	500	278	292
Non-cash transfers and grants	6 459	333	32	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>50 392</b>	<b>51 090</b>	<b>56 135</b>	<b>1 778</b>	<b>1 778</b>	<b>1 778</b>	<b>500</b>	<b>278</b>	<b>292</b>
<b>Contracted services</b>									
Sewerage Services		23 944	38 327	44 653	44 753	44 753	47 972	51 916	55 986
Maintenance of Unspecified Assets		16 105	21 797	35 513	35 743	35 743	40 038	40 003	42 034
Infrastructure and Planning		6 892	6 787	12 654	12 654	12 654	13 413	14 216	15 071
Maintenance of Buildings and Facilities		14 014	10 291	10 096	11 523	11 523	12 199	14 536	15 106
Business and Advisory		2 313	681	7 485	7 541	7 541	1 641	1 697	1 475
Haulage		5 021	6 193	7 410	7 410	7 410	7 855	8 328	8 826
Litter Picking and Street Cleaning		6 852	5 451	6 905	6 905	6 905	7 370	7 759	8 225
Mini Dumping Sites		2 494	5 035	6 200	6 200	6 200	8 342	10 752	11 878
Legal Cost		5 477	3 832	6 193	6 193	6 193	3 189	3 333	3 417
Security Services		4 349	6 897	5 698	6 698	6 698	7 089	7 514	7 965
Traffic Fines Management		2 130	3 434	4 168	4 168	4 168	4 419	4 684	4 838
Safeguard and Security		4 990	5 778	4 012	4 012	4 012	5 639	5 974	6 328
Chipping		2 301	2 742	2 893	2 893	2 893	3 355	3 623	3 904
Meter Management		4 033	4 207	2 223	2 223	2 223	2 430	2 544	2 697
Maintenance of Equipment		2 474	965	2 116	1 816	1 816	2 258	2 517	2 482
Management of Informal Settlements				2 100	2 100	2 100	2 169	2 359	2 500
Laboratory Services		1 653	1 626	2 020	2 020	2 020	2 141	2 270	2 406
Cleaning and Grass Cutting Services				1 656	1 656	1 656	1 803	3 039	2 344
Swimming Supervision				1 442	1 681	1 681	1 552	1 658	1 755
Refuse Removal				955	955	955	1 012	1 073	1 137
Event Promoters			575	808	808	808	632	657	678
Connector/Dis-connection			418	676	676	676	716	759	805
Fire Services			1 425	636	1 136	1 136	861	1 592	986
Building			269	626	626	626	664	704	746
Contractors	95 295	7 605	2 918	4 296	6 080	6 080	14 669	19 614	11 392
<b>Total contracted services</b>	<b>95 295</b>	<b>112 447</b>	<b>129 647</b>	<b>173 424</b>	<b>178 460</b>	<b>178 460</b>	<b>193 637</b>	<b>213 119</b>	<b>214 989</b>



## Supporting detail to budgeted financial performance (Continued)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to other provisions									
Consultant fees									
Audit fees	3 886	4 277	4 015	4 800	4 800	4 800	5 088	5 241	5 398
General expenses	116 312	83 873	64 137	1 296	1 631	1 631	61	164	154
External Computer Service				6 930	6 477	6 477	8 962	10 858	9 243
Municipal Services				5 657	5 657	5 657	6 022	6 323	6 640
Commission	4 852	1 019	4 874	5 167	5 167	5 167	5 764	6 109	6 476
Communication			2 904	5 164	5 164	5 164	6 213	6 524	6 850
Professional Bodies, Membership and Subscription			3 067	3 171	3 171	3 171	3 639	3 821	4 012
Insurance Underwriting	2 457	2 088	2 816	3 031	3 031	3 031	3 400	3 570	3 749
Contribution to Provisions			5 546	2 876	3 376	3 376	3 714	4 085	4 494
Uniform and Protective Clothing			2 759	2 627	2 707	2 707	3 082	3 236	3 398
Advertising, Publicity and Marketing	1 100	2 284	2 072	2 584	2 584	2 584	2 712	2 849	2 990
Skills Development Fund Levy			2 422	2 433	2 748	2 748	2 941	3 088	3 243
OPERATING LEASES				1 816	1 810	1 810	1 365	1 433	1 505
Workmen's Compensation Fund				1 690	1 690	1 690	1 791	1 880	1 974
Bank Charges, Facility and Card Fees			1 340	1 377	1 377	1 377	1 446	1 519	1 594
Travel and Subsistence			1 120	1 103	1 193	1 193	1 265	1 329	1 395
Assets less than the Capitalisation Threshold			775	993	908	908	932	979	1 028
Vehicle Tracking				964	964	964	1 021	1 072	1 126
Bursaries (Employees)			2 306	941	941	941	1 301	1 366	1 435
Printing, Publications and Books	2 075		779	876	876	876	896	941	988
Levies Paid - Water Resource Management Charges			805	779	779	779	992	1 042	1 094
Remuneration to Ward Committees			481	649	649	649	688	722	758
Hire Charges			2 198	436	436	436	585	593	622
Wet Fuel				350	350	350	371	390	409
<b>Total 'Other' Expenditure</b>	<b>131 401</b>	<b>111 342</b>	<b>104 414</b>	<b>57 710</b>	<b>58 486</b>	<b>58 486</b>	<b>64 232</b>	<b>69 133</b>	<b>70 574</b>
<b>Repairs and Maintenance</b>									
<b>by Expenditure Item</b>									
Employee related costs	37 737	38 175	50 261	53 689	53 537	53 537	100 740	105 574	110 322
Other materials	9 317	14 541	3 500	34 624	25 013	25 013	16 024	18 865	19 866
Contracted Services	34 342	30 494	36 145	72 415	79 144	79 144	82 917	88 690	94 357
Other Expenditure	76 630	26 167	30 890	8 555	33 541	33 541	25 531	26 383	27 573
<b>Total Repairs and Maintenance Expenditure</b>	<b>158 026</b>	<b>109 377</b>	<b>120 795</b>	<b>169 284</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>



Table 63 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Local Economic Development	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates				234 998			362 724		234 998
Service charges - electricity revenue				60					362 784
Service charges - water revenue				550	116 231				116 781
Service charges - sanitation revenue					73 164			0	73 164
Service charges - refuse revenue					60 990				60 990
Service charges - other					3 679				3 679
Rental of facilities and equipment				21 001			0		21 001
Interest earned - external investments				3 700					3 700
Interest earned - outstanding debtors									
Dividends received					240		160		34 965
Fines, penalties and forfeits					476				1 971
Licences and permits									2 447
Agency services									3 728
Other revenue	180	51	584	7 544	10 167		10 967		31 427
Transfers and subsidies	24 808			1 830	52 106		49 897		130 566
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>24 988</b>	<b>51</b>	<b>584</b>	<b>269 683</b>	<b>317 051</b>	<b>2 226</b>	<b>423 748</b>	<b>41 896</b>	<b>1 080 228</b>
<b>Expenditure By Type</b>									
Employee related costs	14 203	4 958	25 584	45 109	166 121	8 777	57 386	44 886	367 024
Remuneration of councillors	10 972							10 972	10 972
Debt impairment	3	6	2 159	122	102 408	13	25 406	23 492	23 492
Finance charges				93	30 940		16 802	248	130 362
Bulk purchases							238 588		47 834
Other materials	41	29	635	559	23 722	960	28 955	2 701	238 588
Contracted services	256	230	8 564	13 710	74 051	1 110	82 482	13 234	57 802
Transfers and subsidies	500								193 637
Other expenditure	7 073	245	15 835	19 053	12 273	891	6 912	1 951	500
Loss on disposal of PPE									64 232
<b>Total Expenditure</b>	<b>33 049</b>	<b>5 467</b>	<b>52 776</b>	<b>78 645</b>	<b>409 514</b>	<b>11 752</b>	<b>456 531</b>	<b>86 511</b>	<b>1 134 245</b>
<b>Surplus/(Deficit)</b>	<b>(8 061)</b>	<b>(5 416)</b>	<b>(52 192)</b>	<b>191 038</b>	<b>(92 463)</b>	<b>(9 526)</b>	<b>(32 782)</b>	<b>(44 614)</b>	<b>(54 017)</b>
Transfers and subsidies - capital (monetary allocations)	(National / Provincial and District)				21 639		40 329		61 968
Transfers and subsidies - capital (monetary allocations)									
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)									
Transfers and subsidies - capital (in-kind - all)									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(8 061)</b>	<b>(5 416)</b>	<b>(52 192)</b>	<b>191 038</b>	<b>(70 824)</b>	<b>(9 526)</b>	<b>7 547</b>	<b>(44 614)</b>	<b>7 951</b>





Table 64 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>ASSETS</b>									
<u>Call investment deposits</u>									
Call deposits	26 051	101 263	170 727						
Other current investments									
<b>Total Call investment deposits</b>	<b>26 051</b>	<b>101 263</b>	<b>170 727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Consumer debtors</u>									
Consumer debtors	70 260	76 918	81 085	81 500	91 588	91 588	99 188	106 788	107 855
Less: Provision for debt impairment	(16 972)	(19 098)	(20 593)	(19 000)	(19 000)	(19 000)	(21 000)	(21 300)	(21 600)
<b>Total Consumer debtors</b>	<b>53 288</b>	<b>57 820</b>	<b>60 492</b>	<b>72 500</b>	<b>72 588</b>	<b>72 588</b>	<b>78 188</b>	<b>85 488</b>	<b>86 255</b>
<u>Debt impairment provision</u>									
Balance at the beginning of the year	16 359	16 972	17 008	17 096	17 096	17 096	19 000	21 000	21 300
Contributions to the provision	1 252	2 785	2 601	2 404	2 404	2 404	2 500	800	800
Bad debts written off	(639)	(658)	(1 106)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>16 972</b>	<b>19 088</b>	<b>20 593</b>	<b>19 000</b>	<b>19 000</b>	<b>19 000</b>	<b>21 000</b>	<b>21 300</b>	<b>21 600</b>
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	5 385 400	5 459 595	5 534 384	5 660 234	5 676 895	5 676 895	5 871 132	6 005 162	6 142 411
Leases recognised as PPE							-	-	-
Less: Accumulated depreciation	1 801 804	1 918 219	2 032 719	2 181 058	2 181 058	2 181 058	2 311 420	2 440 296	2 568 195
<b>Total Property, plant and equipment (PPE)</b>	<b>3 583 596</b>	<b>3 541 376</b>	<b>3 501 664</b>	<b>3 479 176</b>	<b>3 495 837</b>	<b>3 495 837</b>	<b>3 559 712</b>	<b>3 564 866</b>	<b>3 574 216</b>
<b>LIABILITIES</b>									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)	80	60							
Current portion of long-term liabilities	23 539	26 432	29 580	33 047	33 047	33 047	38 428	41 636	46 330
<b>Total Current liabilities - Borrowing</b>	<b>23 620</b>	<b>26 492</b>	<b>29 580</b>	<b>33 047</b>	<b>33 047</b>	<b>33 047</b>	<b>38 428</b>	<b>41 636</b>	<b>46 330</b>
<u>Trade and other payables</u>									
Trade and other creditors	64 303	71 328	80 000	73 773	73 773	73 773	87 052	83 537	65 648
Unspent conditional transfers	2 076	1 380	6 476						
VAT									
<b>Total Trade and other payables</b>	<b>66 379</b>	<b>72 707</b>	<b>87 000</b>	<b>73 773</b>	<b>73 773</b>	<b>73 773</b>	<b>87 052</b>	<b>83 537</b>	<b>65 648</b>
<u>Non current liabilities - Borrowing</u>									
Borrowing	408 964	412 402	412 495	409 052	409 052	409 052	423 677	436 040	443 710
Finance leases (including PPP asset element)		-							
<b>Total Non current liabilities - Borrowing</b>	<b>408 964</b>	<b>412 402</b>	<b>412 495</b>	<b>409 052</b>	<b>409 052</b>	<b>409 052</b>	<b>423 677</b>	<b>436 040</b>	<b>443 710</b>
<u>Provisions - non-current</u>									
Retirement benefits	107 290	110 245	122 538	129 943	129 943	129 943	141 638	152 969	154 499
List other major provision items									
Refuse landfill site rehabilitation	76 731	79 158	84 877	88 942	88 942	88 942	96 947	100 825	99 235
Other	9 207	9 861	9 673	10 268	10 268	10 268	11 192	12 087	12 813
<b>Total Provisions - non-current</b>	<b>193 227</b>	<b>199 265</b>	<b>217 138</b>	<b>229 153</b>	<b>229 153</b>	<b>229 153</b>	<b>249 777</b>	<b>265 881</b>	<b>266 547</b>
<b>CHANGES IN NET ASSETS</b>									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	2 818 525	3 217 225	3 270 121	3 201 881	3 201 881	3 201 881	3 339 936	3 349 887	3 353 040
GRAP adjustments	461 430	(15 890)	(13 970)						
Restated balance	3 279 956	3 201 335	3 256 152	3 201 881	3 201 881	3 201 881	3 339 936	3 349 887	3 353 040
Surplus/(Deficit)	(64 044)	53 616	39 114	3 256	68 885	68 885	7 951	1 653	30 765
Appropriations to Reserves									
Transfers from Reserves	1 314	1 201	1 000	1 300	1 300	1 300	2 000	1 500	1 000
Depreciation offsets									
Other adjustments					67 870	67 870			
<b>Accumulated Surplus/(Deficit)</b>	<b>3 217 225</b>	<b>3 256 152</b>	<b>3 297 200</b>	<b>3 206 136</b>	<b>3 339 936</b>	<b>3 339 936</b>	<b>3 349 887</b>	<b>3 353 040</b>	<b>3 384 805</b>
<u>Reserves</u>									
Housing Development Fund	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
<b>Total Reserves</b>	<b>2 571</b>	<b>2 177</b>	<b>3 251</b>	<b>2 440</b>	<b>2 440</b>	<b>2 440</b>	<b>3 300</b>	<b>3 340</b>	<b>3 350</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 219 796</b>	<b>3 259 320</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 332 376</b>	<b>3 332 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>



Table 65 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Estimate	Estimate	Estimate
<b>Demographics</b>											
Population		55 012	74 546	80 432	89 954	90 176	93 466	96 177	98 966	101 836	104 789
Females aged 5 - 14		2 770	5 837	5 228	5 847	5 861	6 031	7 280	7 491	7 709	7 932
Males aged 5 - 14		2 816	5 892	5 278	5 903	5 917	6 089	6 935	7 136	7 343	7 566
Females aged 15 - 34		5 561	11 567	13 139	14 694	14 731	15 158	15 386	15 832	16 292	16 764
Males aged 15 - 34		6 029	11 235	13 648	15 264	15 301	15 745	15 217	15 658	16 112	16 580
Unemployment		5 165	8 099	4 237	4 739	4 750	4 888	5 030	5 176	5 326	5 480
<b>Monthly household income (no. of households)</b>											
No income		2 226	770	4 585	5 128	5 290	5 443	5 601	5 783	5 930	6 102
R1 - R1 600		6 149	5 307	5 326	5 957	6 144	6 323	6 506	6 695	6 889	7 089
R1 601 - R3 200		3 742	3 177	4 878	5 455	5 628	5 791	5 959	6 131	6 309	6 492
R3 201 - R6 400		3 344	3 789	4 362	4 878	5 032	5 178	5 328	5 483	5 642	5 805
R6 401 - R12 800		2 303	2 750	3 830	4 283	4 419	4 547	4 678	4 814	4 954	5 097
R12 801 - R25 600		920	1 947	2 896	3 239	3 341	3 438	3 538	3 640	3 746	3 854
R25 601 - R51 200		227	1 066	1 456	1 628	1 680	1 728	1 779	1 830	1 883	1 938
R51 201 - R102 400		77	184	486	544	561	577	594	611	628	647
R102 401 - R204 800		44	176	109	122	126	129	133	137	141	145
R204 801 - R409 600				81	91	93	96	99	102	105	108
R409 601 - R819 200											
> R819 200											
<b>Poverty profiles (no. of households)</b>											
< R2 060 per household per month	# households earning less				11 084	11 514	11 943	12 397	12 868		
Insert description											
<b>Household/demographics (000)</b>											
Number of people in municipal area		55 012	74 546	80 432	89 954	90 176	93 466	96 177	98 966	101 836	104 789
Number of poor people in municipal area											
Number of households in municipal area		19 032	19 166	26 009	31 325	32 314	33 250	34 215	35 206	36 228	37 277
Number of poor households in municipal area											
Definition of poor household (R per month)											
<b>Housing statistics</b>											
Formal					25 328	25 362	25 395	25 796	26 306	26 951	27 611
Informal					3 144	3 151	3 157	3 066	3 128	2 100	1 900
Total number of households		-	-	-	28 472	28 512	28 552	28 862	29 447	30 006	-
Dwellings provided by municipality						220	341		100	220	
Dwellings provided by province/s											
Dwellings provided by private sector					373	382	391	401	410	425	
Total new housing dwellings		-	-	-	373	602	732	401	510	645	-
<b>Economic</b>											
Inflation/inflation outlook (CPIX)					5.6%	6.2%	6.6%	6.4%	5.3%	5.4%	5.5%
Interest rate - borrowing					9.950%	11.5%	11.75%	10.7%	10.9%	10.9%	10.9%
Interest rate - investment					6.0%	7.24%	7.45%	7.7%	7.6%	7.6%	7.6%
Remuneration increases					7.0%	7.0%	6.0%	7.4%	6.0%	6.0%	6.0%
Consumption growth (electricity)					0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)					2.6%	4.4%	4.0%	2.2%	2.4%	2.5%	2.5%
<b>Collection rates</b>											
Property tax/service charges					99.6%	99.3%	99.3%	99.6%	100.0%	100.0%	100.0%
Rental of facilities & equipment					99.6%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					99.6%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Table 66 MBRR SA11 – Property rates summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Valuation:</b>									
Date of valuation.	02/07/2012	02/07/2012	02/07/2016	02/07/2016					
Financial year valuation used	2012/2013	2012/2013	2016/2017	2016/2017			2017/2018		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	6	6	6	6	6	6	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	8	3	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mins)	12	12	60	60			48		
No. of properties	41 723	42 264	42 494	42 494	42 494	42 494	42 494	42 494	42 494
No. of sectional title values	2 686	2 686	2 555	2 560	2 560	2 560	2 560	2 560	2 560
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	2	1	1	1	1	1	1	1	1
No. of valuation roll amendments	-	-	1	12	12	12	12	12	12
No. of objections by rate payers	400	8	7	12	12	12	12	12	12
No. of appeals by rate payers	40	-	3	1	10	10	10	10	10
No. of successful objections	40	-	3	1	10	10	10	10	10
No. of successful objections > 10%	5	-	-	1	1	1	1	1	1
Supplementary valuation	2 533	2 323	2 322	2 500	2 500	2 500	2 500	2 500	2 500
Public service infrastructure value (Rm)	98	98	98	82	82	82	87	87	87
Municipality owned property value (Rm)	734	721	739	905	905	905	959	959	959
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	0	98	98	82	82	82	87	87	87
Valuation reductions-nature reserves/park (Rm)	0	0	0	368	368	368	390	390	390
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	450	442	445	450	450	450	477	477	477
Valuation reductions-public worship (Rm)	155	150	151	158	158	158	167	167	167
Valuation reductions-other (Rm)	2 205	1 937	1 947	1 946	1 946	1 946	2 063	2 063	2 063
<b>Total valuation reductions:</b>	<b>2 908</b>	<b>2 627</b>	<b>2 581</b>	<b>3 003</b>	<b>3 003</b>	<b>3 003</b>	<b>3 183</b>	<b>3 183</b>	<b>3 183</b>
Total value used for rating (Rm)	42 062	42 093	42 303	43 689	43 689	43 689	46 311	46 311	46 311
Total land value (Rm)	22 143	22 138	22 249	21 274	21 274	21 274	22 551	22 551	22 551
Total value of improvements (Rm)	21 397	21 409	21 516	25 585	25 585	25 585	27 121	27 121	27 121
Total market value (Rm)	42 062	42 093	42 303	43 689	43 689	43 689	46 311	46 311	46 311
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No			No		
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	-	-	-	10			No		
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)	100	220	220	220			220		
Non-residential prescribed ratio s19? (%)	51.4%	51.6%	51.5%	51.5%					
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	152 573	164 448	197 140	212 784	212 784	212 784	234 279	248 336	263 236
Rate revenue expected to collect (R'000)	152 573	164 448	197 140	212 784	212 784	212 784	234 279	248 336	263 236
Expected cash collection rate (%)	99.8%	99.2%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	4 808	5 294	5 803	7 556	7 556	7 556	7 994	8 474	8 982
Rebates, exemptions indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions pensioners (R'000)	401 000	520 000	604	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)	79 000	85 000	99	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	3 875 000	4 042 000	5 391	-	-	-	-	-	-
Phase in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptns, reductns, discs (R'000)</b>	<b>4 355</b>	<b>5 247</b>	<b>6 093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Table 67 MBRR SA12a – Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Is	Public benefit organs.	Mining Props.
<b>Current Year 2017/18</b>																
<b>Valuation:</b>																
No. of properties	36 815	-	1 083	199	364	2 071	548	-	-	-	-	-	164	-	160	-
No. of sectional title property values	2 232	-	328	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 TOTAL																
Years since last valuation (select)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Frequency of valuation (select)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fiat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	1 946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 468	-	3 610	576	527	905	82	-	-	-	-	-	368	-	155	-
Total land value (Rm)	17 905	-	1 500	422	291	678	71	-	-	-	-	-	238	-	138	-
Total value of improvements (Rm)	22 550	-	2 110	154	236	228	10	-	-	-	-	-	100	-	200	-
Total market value (Rm)	37 468	-	3 610	576	527	905	82	-	-	-	-	-	368	-	338	-
<b>Rating:</b>																
Average rate	0.005090	-	0.007710	0.001273	0.007710	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R' 000)	167 917	-	31 479	930	3 371	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	167 917	-	31 479	930	3 371	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	100.0%	-	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)	7 492	-	1 446	-	150	-	-	-	-	-	-	-	-	-	-	-
<b>Rebates:</b>																
Rebates - ex-emptious - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - ex-emptious - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - ex-emptious - bona fide farm (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - ex-emptious - other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, discounts, discs (R'000)</b>																



Table 68 MBRR SA12b – Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs	Mining Props.
<b>Budget Year 2018/19</b>																
<b>Valuation:</b>																
No. of properties	36 815	-	1 083	199	364	2 071	548	-	-	-	-	-	164	-	150	-
No. of sectional title property values	2 232	-	328	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation used (select)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.	Land & Impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Is balance rated by uniform rate/variable rate?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	87	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>	2 083	-	-	-	-	-	-	-	-	-	-	-	-	-	167	-
Total value used for rating (Rm)	39 716	-	3 826	611	558	959	87	-	-	-	-	-	390	-	164	-
Total land value (Rm)	18 979	-	1 590	448	308	719	76	-	-	-	-	-	284	-	146	-
Total value of improvements (Rm)	23 903	-	2 236	163	250	240	11	-	-	-	-	-	105	-	212	-
Total market value (Rm)	39 716	-	3 826	611	558	959	87	-	-	-	-	-	390	-	164	-
<b>Rating:</b>																
Average rate	0.005395	-	0.008173	0.001349	0.008173	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)	187 790	-	34 476	734	3 285	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	187 790	-	34 476	734	3 285	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	100.0%	-	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)	6 590	-	1 272	-	132	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, discounts (R'000)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

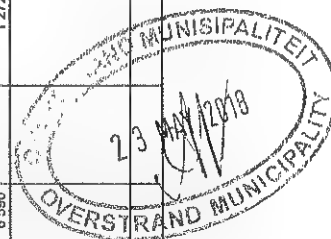


Table 69 MBRR SA13a – Service tariffs by category

Description	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Property rates (rate in the Rand)</b>								
Residential properties		0.0041	0.0041	0.0047	0.0051	0.0054	0.0058	0.0062
Residential properties - vacant land		0.0057	0.0061	0.0065	0.0070	0.0074	0.0079	0.0085
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0010	0.0011	0.0012	0.0013	0.0013	0.0014	0.0016
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0063	0.0067	0.0072	0.0077	0.0082	0.0088	0.0094
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties		0.0063	0.0067	0.0072	0.0077	0.0082	0.0088	0.0094
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<b>Exemptions, reductions and rebates (Rands)</b>								
<b>Residential properties</b>								
R15 000 threshold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		100 000	220 000	220 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		100 000	220 000	220 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>		75%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		102	108	115	122	129	137	145
Service point - vacant land (Rands/month)		102	108	115	122	129	137	145
Water usage - flat rate tariff (c/k)	0 - 6 kl	325	362	404	450	502	532	564
Water usage - life line tariff	7 - 18 kl	660	612	666	1 024	1 085	1 160	1 219
Water usage - Block 1 (c/k)	19 - 30 kl	1 395	1 479	1 567	1 661	1 781	1 867	1 979
Water usage - Block 2 (c/k)	31 - 45 kl	2 148	2 276	2 413	2 557	2 711	2 874	3 046
Water usage - Block 3 (c/k)	46 - 60 kl	2 790	2 957	3 134	3 322	3 521	3 732	3 955
Water usage - Block 4 (c/k)	> 60 kl	3 720	3 943	4 179	4 430	4 698	4 978	5 276
<b>Other</b>								
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		91	97	102	109	115	122	129
Service point - vacant land (Rands/month)		110	116	123	109	115	122	129
Waste water - flat rate tariff (c/k)		1 026	1 088	1 153	1 222	1 296	1 374	1 458
Volumetric charge - Block 1 (c/k)	Basic charge pumps	61	65	69	73	78	82	87
Volumetric charge - Block 2 (c/k)	Service per pump	419	444	471	499	529	561	595
Volumetric charge - Block 3 (c/k)	(fill in structure)							
Volumetric charge - Block 4 (c/k)	(fill in structure)							
<b>Other</b>								
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		205	217	255	268	292	309	328
Service point - vacant land (Rands/month)		205	217	255	268	292	309	328
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	00	99	100	101	108	114	121
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid (c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	96.0	100.0	109.0	109.0	115.6	122.6	129.9
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	130.0	146.0	157.0	158.0	169.1	179.2	190.0
Meter - IBT Block 4 (c/kwh)	> 600 kWh	157.0	176.0	189.0	193.0	206.9	219.3	232.5
Meter - IBT Block 5 (c/kwh)	Prepaid Meter						0.0	0.0
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	89.0	99.0	100.0	100.0	106.8	113.2	120.0
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	123.0	137.0	148.0	149.0	159.3	168.9	179.0
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	151.0	169.0	182.0	185.0	198.9	210.8	223.5
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
<b>Other</b>								
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fix fee		100	130	146	155	164	174	185
80l bin - once a week								
250l bin - once a week		130	146	146	155	164	174	185



Table 70 MBRR SA13b – Service tariffs by category (explanatory)

Description	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Exemptions, reductions and rebates (Rands)</b> <i>[Insert lines as applicable]</i>								
<b>Water tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge	102	108	115	122	129	137	145
	Basic charge	102	108	115	122	129	137	145
	0 - 6 kl	325	362	404	450	502	532	564
	7 - 18 kl	860	912	966	1 024	1 085	1 150	1 219
	19 - 30 kl	1 395	1 479	1 567	1 661	1 761	1 867	1 979
	31 - 45 kl	2 148	2 276	2 413	2 557	2 711	2 874	3 046
	46 - 60 kl	2 790	2 957	3 134	3 322	3 521	3 732	3 956
	> 60 kl	3 720	3 943	4 179	4 430	4 696	4 978	5 276
	(fill in thresholds)							
	(fill in thresholds)							
<b>Waste water tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge	91	97	102	109	115	122	129
	Basic charge	110	116	123	109	115	122	129
	Tariff per kl (c/kl)	1 026	1 088	1 153	1 222	1 296	1 374	1 456
	Basic charge - pumps	61	65	69	73	78	82	87
	Service per pump	419	444	471	499	529	561	595
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
<b>Electricity tariffs</b> <i>[Insert blocks as applicable]</i>	Basic charge/linked fee	205	217	255	268	292	309	328
	Basic - Vacant Land	205	217	255	268	292	309	328
	Flat rate prepaid (c/kWh)	88		100	101	108	114	121
	Credit Meter							
	0 - 350 kWh	96.0	108.0	109.0	109.0	115.6	122.6	129.9
	351 - 600 kWh	130.0	146.0	157.0	158.0	169.1	179.2	190.0
	> 600 kWh	157.0	176.0	189.0	193.0	206.9	219.3	232.5
	Prepaid Meter							
	0 - 350 kWh	89.0	99.0	100.0	100.0	106.8	113.2	120.0
	351 - 600 kWh	123.0	137.0	148.0	149.0	159.3	168.9	179.0
	> 600 kWh	151.0	169.0	182.0	185.0	198.9	210.8	223.5
	(fill in thresholds)							
	(fill in thresholds)							



Table 71 MBRR SA32 – List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Outsourcing of sub function solid waste recovery : Overstrand Municipality	Mths	107	Outsourcing of sub function solid waste recovery	30 October 2022	13 309
Outsourcing of sub function solid waste : Overstrand Municipality	Mths	96	Outsourcing of sub function solid waste	30 November 2018	22 200
Outsourcing of sub function water and waste water treatment : Overstrand Municipality	Yrs	15	Outsourcing of sub function water and waste water treatment	31 October 2030	830 057
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					





Table 72 MBRR SA38 – Consolidated detailed operational projects

R thousand							Prior year outcomes	2017/18 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Type	MTSF Service Outcome	IUDF	Own Strategic Object	Actual Year 2017/18	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Municipality:										
List all operational projects grouped by Municipal Vote										
Vote 1 - Council	Municipal Running Cost		9	4	1		32 916	34 567	37 100	
	Typical Work Streams : Functions and Events : Special Events and Functions	Work stream	9	4	1		130			
Vote 2 - Municipal Management	Municipal Running Cost		9	4	1		5 385	5 616	5 851	
Vote 3 - Management Services	Corrective Maintenance : Emergency : Computer Equipment	Corrective	9	4	1		554	587	587	
	Corrective Maintenance : Planned : Furniture and Office Equipment	Corrective	9	4	1		8	9	9	
	Information and Communication Infrastructure : Data Centres : Buildings	Preventive	9	4	1		38	39	40	
	Intangible Assets : Licences and Rights : Computer Software and Applications	Preventive	9	4	1		4 219	4 465	4 728	
	Municipal Running Cost		9	4	1		46 404	48 794	50 646	
	Preventative Maintenance : Interval Based : Computer Equipment	Preventive	9	4	1		576	646	610	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	9	4	1		7	7	7	
	Typical Work Streams : Capacity Building Training and Development : Information and Communication Infrastructure	Work stream	9	4	1		3	3	3	
	Typical Work Streams : Capacity Building Training and Development : Information and Communication Infrastructure	Work stream	9	4	1		1	1	1	
	Typical Work Streams : Capacity Building Training and Development : Information and Communication Infrastructure	Work stream	9	4	1		2 018	2 018	2 018	
	Typical Work Streams : Community Development : Gender Development	Work stream	9	4	1		20	20	21	
	Typical Work Streams : Human Resources : Employee Assistance Programme	Work stream	9	4	1		462	462	462	
	Typical Work Streams : Junior Council	Work stream	9	4	1		63	65	66	
	Typical Work Streams : Strategic Management and Governance : IDP Implementation	Work stream	9	4	1		182	200	220	
Vote 4 - Finance	Corrective Maintenance : Emergency : Furniture and Office Equipment	Corrective	9	4	1		57	59	60	
	Municipal Running Cost		9	4	1		77 095	86 034	84 654	
	Operational Buildings : Stores : Buildings	Preventive	9	4	1		38	38	38	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	9	4	1		63	65	67	
	Typical Work Streams : Financial Management Grant : Financial Statements	Work stream	9	4	1		525	525		
	Typical Work Streams : Financial Management Grant : Interns Compensation	Work stream	9	4	1		6	500		
	Typical Work Streams : Financial Management Grant : Supply Chain Management	Work stream	9	4	1		525	500		
	Typical Work Streams : Financial Management Grant : Financial Systems	Work stream	9	4	1		280	280		
Vote 5 - Community Services	Coastal Infrastructure : Promenades : Civil Structures	Preventive	6	3	2		191	200	210	
	Community Facilities : Cemeteries/Crematoria : Land	Preventive	6	3	2		44	44	44	
	Community Facilities : Parks : Land	Preventive	2	3	2		545	576	613	
	Municipal Running Cost		9	3	2		350 712	366 704	380 385	
	Operational Buildings : Municipal Offices : Land	Preventive	9	3	2		901	955	1 012	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	9	3	2		5 588	5 763	5 964	
	Roads Infrastructure : Roads : Pavements	Preventive	6	3	2		33 531	36 206	37 600	
	Sanitation Infrastructure : Outfall Sewers : Civil Structures	Preventive	6	3	2		602	602	677	
	Sanitation Infrastructure : Reticulation : Municipal Service Connections	Preventive	6	3	2		3 242	3 437	3 843	
	Solid Waste Disposal : Landfill Sites : Buildings	Preventive	6	3	2		40	42	44	
	Solid Waste Disposal : Waste Drop-off Points : Buildings	Preventive	6	3	2		48	49	52	
	Solid Waste Disposal : Waste Drop-off Points : Service Connections	Preventive	6	3	2		1 298	1 376	1 458	
	Solid Waste Disposal : Waste Processing Facilities : Buildings	Preventive	6	3	2		70	74	79	
	Sport and Recreation Facilities : Outdoor Facilities : Buildings	Preventive	2	3	2		114	121	128	
	Stormwater Infrastructure : Stormwater Conveyance : Civil Structures	Preventive	6	3	2		350	371	393	
	Stormwater Infrastructure : Stormwater Conveyance : Drainage	Preventive	6	3	2		2 639	2 798	2 965	
	Typical Work Streams : Community Development : Community Initiatives	Work stream	2	3	2		74	74	74	
	Typical Work Streams : Sport Development : Marathons, Sport and Recreation	Work stream	2	3	2		258	281	298	
	Typical Work Streams : Ward Committees : Ward Initiatives	Work stream	2	3	2		1 200			
	Water Supply Infrastructure : Distribution : Municipal Service Connections	Preventive	6	3	2		5 368	5 690	6 031	
	Water Supply Infrastructure : Distribution : Pipe Work	Preventive	6	3	2		1 243	1 318	1 382	
Vote 6 - Local Economic Development	Community Development : Youth Projects : Youth Projects	Work stream	4	2	5		16	17	17	
	Municipal Running Cost		4	2	5		7 603	8 142	8 511	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	4	2	5		14	14	15	
	Typical Work Streams : Capacity Building Training and Development : Information and Communication Infrastructure	Work stream	4	2	5		21	22	23	
	Typical Work Streams : Local Economic Development : Project Implementation	Work stream	4	2	5		497	527	544	
	Typical Work Streams : Local Economic Development : Training	Work stream	4	2	5		56	60	62	
	Typical Work Streams : Tourism : Tourism Development	Work stream	4	2	5		122	129	133	
Vote 7 - Infrastructure & Engineering	Electrical Infrastructure : LV Networks : Municipal Service Connections	Preventive	6	3	2		1 362	1 420	1 505	
	Electrical Infrastructure : LV Networks : Public Lighting	Preventive	6	3	2		840	890	101	
	Electrical Infrastructure : Power Plants : Electrical Equipment	Preventive	6	3	2		2 748	2 882	3 054	
	Municipal Running Cost		6	3	2		429 526	457 575	496 450	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	6	3	2		641	664	664	
	Solid Waste Disposal : Waste Separation Facilities : Mechanical Equipment	Preventive	6	3	2		338	359		
	Typical Work Streams : Community Development : Housing Projects	Work stream	8	1	2		24 333	51 660	24 842	
Vote 8 - Protection Services	Municipal Running Cost		3	4	4		85 141	90 879	92 548	
	Preventative Maintenance : Interval Based : Transport Assets	Preventive	3	3	4		1 259	1 303		
	Typical Work Streams : Public Protection and Safety	Work stream	3	1	4		48	51		
	Typical Work Streams : Ward Committees : Ward Initiatives	Work stream	3	1	4		70			
Total Operational expenditure							1 134 245	1 229 047	1 258 428	



Table 73 MBRR SA33 – Contracts having future budgetary implications

Description	Preceding Years	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
		Original Budget	Budget Year 2017/18	Budget Year +1 2018/19								
<b>R thousand</b>	<b>Total</b>											
<b>Parent Municipality:</b>												
<b>Revenue Obligation By Contract</b>												
Contract 1	-											-
Contract 2												-
Contract 3 etc												-
<b>Total Operating Revenue Implication</b>												
<b>Expenditure Obligation By Contract</b>												
Contract 1: SC15082014: Water and waste water treatment operations management contract		38 233	40 961	42 310	48 724	52 135	55 837	59 801	64 047	68 594	73 533	589 711
Contract 2												-
Contract 3 etc												-
<b>Total Operating Expenditure Implication</b>												
<b>Capital Expenditure Obligation By Contract</b>												
Contract 1		38 233	40 961	42 310	48 724	52 135	55 837	59 801	64 047	68 594	73 533	589 711
Contract 2												-
Contract 3 etc												-
<b>Total Capital Expenditure Implication</b>												




## 2.15 Municipal manager's quality certificate

I, CC GROENEWALD, municipal manager of **Overstrand Municipality**, hereby certify that the annual budget and supporting documentation for the **2018/2019 MTREF** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: CC GROENEWALD

Municipal manager of **Overstrand Municipality (WC032)**

Signature:

 \_\_\_\_\_

Date:

23.05.2018



## **ANNEXURE A**

# **PROPOSED AMENDMENTS TO DRAFT BUDGET**



# PROPOSED 2018/2019 DRAFT BUDGET CHANGES

## OPEX

### 1 SALARIES

Additional 1.2% increase on Salaries  
Snr Man: Performance Bonus

### 2 GRANTS

DEPT FROM	DEPT TO	Draft 2018/2019	Draft 2019/2020	Draft 2020/2021	Change 2018/2019	Change 2019/2020	Change 2020/2021	Final 2018/2019	Final 2019/2020	Final 2020/2021
0100		0	0	0	3 502 129	3 726 744	3 946 284	3 502 129	3 726 744	3 946 284
					210 000	220 000	230 000	210 000	220 000	230 000
0160		1 339 572	1 418 616	1 502 304	280 715	280 715	280 715	1 058 857	1 137 901	1 221 589
					280 715	280 715	280 715	280 715	280 715	280 715
0160		5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000
0160		500	500	500	500	500	500	500	500	500
0210		525 000	525 000	0	1 785	1 785	1 785	211 896	211 896	211 896
					1 785	1 785	1 785	1 785	1 785	1 785
0210					104	104	104	104	104	104
0210		5 990 824	6 301 920	6 673 728	301 096	301 096	301 096	5 737 039	6 088 135	6 459 843
					301 096	301 096	301 096	301 096	301 096	301 096
0180		525 000	525 000	0	5 000	5 000	5 000	5 000	5 000	5 000
0180					500	500	500	500	500	500
0180		0	0	0	770 000	770 000	770 000	770 000	770 000	770 000
1140		0	0	0	1 887 480	0	0	1 887 480	0	0
1140		0	0	0	19 260	0	0	19 260	0	0
1140		0	0	0	19 260	0	0	19 260	0	0

### Roll-over Grants

Local Govt Graduate Internship Grant

### 3 OTHER

0090		315 000	324 460	336 220	100 000	100 000	100 000	215 000	224 460	236 220
0200		0	0	0	0	0	0	0	0	0
0740		0	0	0	96 022	101 783	107 890	107 890	107 890	107 890
0080		0	0	0	20 000	20 000	20 000	20 000	20 000	20 000
4360		57 637 532	61 886 600	66 384 503	8 000 000	8 000 000	8 000 000	65 537 532	69 856 600	74 384 503
4360		139 926 215	150 168 878	161 161 240	1 242 663	1 242 663	1 242 663	138 723 572	148 968 878	159 961 240
4350		24 423 500	26 211 301	28 129 968	1 787	1 787	1 787	23 923 500	25 711 301	27 629 968
2300		4 800 000	4 850 000	4 850 000	700 000	700 000	700 000	700 000	700 000	700 000
		0	0	0	298 397	298 397	298 397	298 397	298 397	298 397
0560		0	0	0	100 000	100 000	100 000	100 000	100 000	100 000
0530		0	0	0	243 740	243 740	243 740	243 740	243 740	243 740
0540		0	0	0	207	220	233	207	220	233
0210		20 744	21 989	23 308	32	34	36	32	34	36
1400		3 180	3 371	3 573	7 074	7 499	7 949	7 074	7 499	7 949
1410		707 421	749 866	794 858	87	92	98	87	92	98
1440		6 708	9 230	9 784	1 033	1 095	1 161	1 033	1 095	1 161
1650		103 301	109 499	116 069	23	25	26	23	25	26
1830		2 334	2 474	2 623	226	240	254	226	240	254
1900		22 621	23 979	25 417	1 667	1 767	1 873	1 667	1 767	1 873
1910		166 710	176 713	187 316	23	24	26	23	24	26
2120		2 310	2 448	2 586	23	24	26	23	24	26
2630		180 857	202 309	214 447	1 909	2 023	2 144	1 909	2 023	2 144
3750		81 179	86 050	91 213	812	860	912	812	860	912
3760		751 297	796 375	844 158	7 513	7 964	8 442	7 513	7 964	8 442
4560		1 385 699	1 468 841	1 556 971	13 857	14 688	15 570	13 857	14 688	15 570
4590		471 971	500 290	530 307	4 720	5 003	5 303	4 720	5 003	5 303
4820		594 043	629 686	667 467	5 940	6 297	6 675	5 940	6 297	6 675
4800		338 902	359 236	380 790	3 389	3 592	3 808	3 389	3 592	3 808
4810		804 462	852 729	903 893	8 045	8 527	9 039	8 045	8 527	9 039
4830		173 212	183 605	194 622	1 732	1 836	1 946	1 732	1 836	1 946
3840		136 104	144 270	152 926	1 361	1 443	1 529	1 361	1 443	1 529
1110		57 240	60 674	64 315	572	607	643	572	607	643
0100		370 900			368 000			368 000		
0500		130 000			2 000			132 000		

Internship- funded from Local Govt Graduate Internship Grant at A  
=6003 4672-50489 47-113748

Create new projects for upgrading of Creches- Km Hm&Gb - use creche

0 in the name

Create new projects for upgrading of Creches- Km Hm&Gb - use creche

0 in the name

Create new projects for upgrading of Creches- Km Hm&Gb - use creche

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Create new projects for upgrading of Creches- Km Hm&Gb - use creche

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Create new projects for upgrading of Creches- Km Hm&Gb - use creche

0 in the name



DEPT FROM	DEPT TO	Draft	Draft	Draft	Change	Change	Change	Final	Final	Final
		2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021
<b>4 TRANSFERS BETWEEN DEPARTMENTS</b>										
0680	Project Management	50 000	19 000	19 500	0	0	0	0	0	0
0680	Catering Services	18 600	30 000	0	0	0	0	0	0	0
0680	Professional Staff	30 000	1 800	1 900	0	0	0	0	0	0
0680	Photographer	803 376	859 888	909 888	0	0	0	0	0	0
0680	Basic Salary and Wages	25 536	26 808	28 152	376	0	0	0	0	0
0680	Cellular and Telephone	10 104	10 104	10 104	0	0	0	0	0	0
0680	Housing Benefits	132 948	132 948	132 948	0	0	0	0	0	0
0680	Travel or Motor Vehicle	48 240	50 412	53 388	948	0	0	0	0	0
0680	Bonus	300	204	204	-300	0	0	0	0	0
0680	Bargaining Council	4 320	4 320	4 320	0	0	0	0	0	0
0680	Group Life Insurance	63 612	67 860	69 456	612	0	0	0	0	0
0680	Medical	105 312	113 052	119 712	312	0	0	0	0	0
0680	Pension	5 700	5 616	5 604	700	0	0	0	0	0
0680	Unemployment Insurance	600	600	600	-600	0	0	0	0	0
0680	Standard Rated	4 240	4 500	4 500	240	0	0	0	0	0
0680	Materials and Supplies	30 000	30 000	30 000	0	0	0	0	0	0
0680	Corporate and Municipal Activities	6 000	6 500	6 500	0	0	0	0	0	0
0680	Gifts and Promotional Items	8 000	8 000	8 000	0	0	0	0	0	0
0680	Gifts and Promotional Items	18 000	18 000	18 000	0	0	0	0	0	0
0680	Gifts and Promotional Items	20 000	20 000	20 660	0	0	0	0	0	0
0680	Gifts and Promotional Items	8 000	8 000	8 000	0	0	0	0	0	0
0680	Printing, Publications and Books	15 000	15 000	15 000	0	0	0	0	0	0
0680	Printing, Publications and Books	10 188	11 124	11 760	188	0	0	0	0	0
0680	Skills Development Fund Levy	24 380	25 840	26 000	-350	0	0	0	0	0
0680	Events									
1150	Project Management	50 000	19 000	19 500	0	0	0	50 000	19 000	19 500
1150	Catering Services	18 600	30 000	0	0	0	0	18 600	30 000	0
1150	Professional Staff	30 000	1 800	1 900	0	0	0	30 000	1 800	1 900
1150	Photographer	803 376	859 888	909 888	0	0	0	803 376	859 888	909 888
1150	Basic Salary and Wages	25 536	26 808	28 152	0	0	0	25 536	26 808	28 152
1150	Cellular and Telephone	10 104	10 104	10 104	0	0	0	10 104	10 104	10 104
1150	Housing Benefits	132 948	132 948	132 948	0	0	0	132 948	132 948	132 948
1150	Travel or Motor Vehicle	48 240	50 412	53 388	0	0	0	48 240	50 412	53 388
1150	Bonus	300	204	204	0	0	0	300	204	204
1150	Bargaining Council	4 320	4 320	4 320	0	0	0	4 320	4 320	4 320
1150	Group Life Insurance	63 612	67 860	69 456	0	0	0	63 612	67 860	69 456
1150	Medical	105 312	113 052	119 712	0	0	0	105 312	113 052	119 712
1150	Pension	5 700	5 616	5 604	0	0	0	5 700	5 616	5 604
1150	Unemployment Insurance	600	600	600	0	0	0	600	600	600
1150	Standard Rated	4 240	4 500	4 500	0	0	0	4 240	4 500	4 500
1150	Materials and Supplies	30 000	30 000	30 000	0	0	0	30 000	30 000	30 000
1150	Corporate and Municipal Activities	6 500	6 500	6 500	0	0	0	6 500	6 500	6 500
1150	Gifts and Promotional Items	8 000	8 000	8 000	0	0	0	8 000	8 000	8 000
1150	Gifts and Promotional Items	18 000	18 000	18 000	0	0	0	18 000	18 000	18 000
1150	Gifts and Promotional Items	20 000	20 000	20 660	0	0	0	20 000	20 660	20 660
1150	Gifts and Promotional Items	8 000	8 000	8 000	0	0	0	8 000	8 000	8 000
1150	Printing, Publications and Books	15 000	15 000	15 000	0	0	0	15 000	15 000	15 000
1150	Printing, Publications and Books	10 188	11 124	11 760	0	0	0	10 188	11 124	11 760
1150	Skills Development Fund Levy	24 380	25 840	26 000	0	0	0	24 380	25 840	26 000
1150	Events									
0740	Security Services	4 112 738	4 362 682	4 628 005	0	0	0	0	0	0
0780	Outsourcing Services	3 000	3 360	3 763	0	0	0	3 000	3 360	3 763
0780	Outsourced Serv Contractors	10 000	10 000	10 000	0	0	0	10 000	10 000	10 000
0780	Outsourced Serv Maint. Contractors	2 000	2 120	2 247	0	0	0	2 000	2 120	2 247
0780	Outsourced Serv Pest Control	1 200	1 272	1 348	0	0	0	1 200	1 272	1 348
0780	Outsourced Serv Security	3 998 538	4 238 450	4 492 757	0	0	0	3 998 538	4 238 450	4 492 757
0780	Outsourced Serv Security Guards	12 000	12 720	13 483	0	0	0	12 000	12 720	13 483
0780	Outsourced Serv Security Guards	15 000	15 900	16 854	0	0	0	15 000	15 900	16 854
0780	Outsourced Serv Security Guards	10 000	10 600	11 236	0	0	0	10 000	10 600	11 236
0780	Outsourced Serv Security Guards	1 000	1 060	1 124	0	0	0	1 000	1 060	1 124
0780	Outsourced Serv Security Guards	10 000	10 600	11 236	0	0	0	10 000	10 600	11 236
0780	Outsourced Serv Security Guards	50 000	56 000	62 720	0	0	0	50 000	56 000	62 720

DEPT FROM	DEPT TO	Draft 2018/2019	Draft 2019/2020	Draft 2020/2021	Change 2018/2019	Change 2019/2020	Change 2020/2021	Final 2018/2019	Final 2019/2020	Final 2020/2021
<b>5 WARDS</b>										
0530	Maintenance of Building & Facilities - BAMANANI CRECHE		50 000	0	0	0	0	50 000	0	0
0530	Maintenance of Building & Facilities- SIYABULELA CRECHE		30 000	0	0	0	0	30 000	0	0
1330	Materials & Supplies -TRAFFIC CALMING		20 000	0	0	0	0	20 000	0	0
0700	Assets less Capital threshold- SAFETY CAMERAS AT ENTRANCES OF TOWN									
0700	Assets less Capital threshold- SAFETY CAMERAS AT ENTRANCES - HANGKUP AREA									
0560	Materials & Supplies -STREET NAME BOARDS- BBAY									
0130	Materials & Supplies -STREET NAME BOARDS- BBAY		20 000					20 000		
<b>TOTAL EXPENDITURE</b>		<b>247 827 334</b>	<b>264 402 780</b>	<b>281 938 005</b>	<b>9 987 761</b>	<b>7 632 363</b>	<b>8 927 340</b>	<b>257 563 845</b>	<b>272 035 143</b>	<b>290 865 345</b>
<b>REVENUE</b>										
<b>1 GRANTS</b>										
1020	Libraries, Archives and Museums- Capex		30 000					30 000		
0960	Libraries, Archives and Museums- Capex									
2110	Municipal Infrastructure Grant		2 000 000					2 000 000		
1440	Municipal Infrastructure Grant									
1410	Municipal Infrastructure Grant									
3770	Municipal Infrastructure Grant									
1540	Municipal Infrastructure Grant									
<b>Roll-over Grants</b>										
0140	Local Govt Graduate Internship Grant									
<b>2 OTHER</b>										
0980	Management Fees		0	0				0		
0980	Photocopies & Faxes		0	0				0		
0990	Publications- Books		0	0				0		
0990	Overdue Books		0	0				0		
0180	Short Term Investments and Cal Accounts									
2260	Administrative Handling Fees									
2210	Recovery Infrastructure Maintenance									
0670	Access to Information									
4400	Commercial Conventional (3-Phase)		212 157	224 887				212 157	224 887	
4400	Commercial Conventional (Single Phase)		60 732	64 376				60 732	64 376	
4400	Industrial (400 Volts) (Low Voltage)		1 012 932	1 072 932				1 012 932	1 072 932	
4400	Conventional		647 808	686 677				647 808	686 677	
4400	Prepaid		1 004 103	1 064 349				1 004 103	1 064 349	
<b>TOTAL REVENUE</b>		<b>222 864 000</b>	<b>244 364 780</b>	<b>265 438 005</b>	<b>2 224 650</b>	<b>4 04 780</b>	<b>1 58 982</b>	<b>226 135 680</b>	<b>226 095 780</b>	<b>235 263 882</b>
<b>TOTAL REVENUE</b>		<b>223 663 334</b>	<b>244 364 780</b>	<b>265 438 005</b>	<b>7 716 111</b>	<b>5 584 583</b>	<b>7 063 352</b>	<b>231 428 195</b>	<b>249 949 363</b>	<b>272 501 358</b>

Intensh p-funded from Local Gov Graduate Internsh p Grant at A  
0 -8003 46 2-50489 47-113745

Additional Revenue  
Additional Revenue  
Additional Revenue  
Additional Revenue  
Additional Revenue  
Additional Revenue  
Additional Revenue

Electricity Revenue reduction  
Electricity Revenue reduction  
Electricity Revenue reduction  
Electricity Revenue reduction  
Electricity Revenue reduction

TOTAL REVENUE

BOTTOM LINE





## CAPEX

## 1 WARDS

DEPT FROM	DEPT TO	Draft 2018/2019	Draft 2019/2020	Draft 2020/2021	Change 2018/2019	Change 2019/2020	Change 2020/2021	Final 2018/2019	Final 2019/2020	Final 2020/2021
<b>Ward</b>	<b>Funding</b>									
Ward 01	OpexCash-WSP	50 000	0	0	0	0	0	30 000	0	0
Ward 01	OpexCash-WSP	100 000	0	0	0	0	0	80 000	0	0
Ward 01	OpexCash-WSP	0	0	0	0	0	0	40 000	0	0
Ward 02	OpexCash-WSP	0	0	0	0	0	0	30 000	0	0
Ward 09	OpexCash-WSP	0	0	0	0	0	0	20 000	0	0
Ward 10	OpexCash-WSP	50 000	0	0	0	0	0	0	0	0
Ward 10	OpexCash-WSP	30 000	0	0	0	0	0	0	0	0
Ward 10	OpexCash-WSP	0	0	0	0	0	0	50 000	0	0
Ward 10	OpexCash-WSP	100 000	0	0	0	0	0	40 000	0	0
Ward 13	OpexCash-WSP	100 000	0	0	0	0	0	160 000	0	0
Ward 13	OpexCash-WSP	0	0	0	0	0	0	0	0	0
Ward 08	MIG	0	0	0	1 500 000	2 500 000	0	1 500 000	2 500 000	0
Ward 02	MIG	1 500 000	2 000 000	0	0	0	0	2 000 000	2 000 000	0
Ward 08	MIG	0	2 500 000	0	0	0	0	1 336 000	0	0
Multi-ward ; MIG		2 000 000	5 472 000	3 075 000	0	0	0	0	5 472 000	3 075 000
Ward 11	MIG	8 000 000	0	0	0	0	0	7 735 000	0	0
Ward 02	MIG	1 364 000	2 038 000	0	0	0	0	0	2 038 000	0
Ward 01	MIG	0	0	0	0	0	0	293 000	0	0
Masakhane Housing Project Bulk Stormwater		0	0	0	0	0	0	0	0	0
3 ROLL OVERS										
Overstrand EL18 R/o		0	0	500 000	1 925 343	0	0	1 925 343	0	500 000
Ward 13 EL19&EL18R/o		3 585 000	0	0	435 000	0	0	4 020 000	0	0
Ward 11 EL19&EL18R/o		6 602 218	0	0	1 840 000	0	0	8 442 218	0	0
Overstrand Surplus		0	0	0	395 287	0	0	395 287	0	0
Ward 03 Land Sales		4 017 184	0	0	1 000 000	0	0	5 017 184	0	0
Ward 04 Surplus-R-Over		1 000 000	0	0	420 501	0	0	1 420 501	0	0
4 ADDITIONAL PROJECTS										
Upgrading Zwellihle Sewer Phase 1		0	0	0	3 000 000	0	0	3 000 000	0	0
Stormwater - Overhills		0	0	0	3 000 000	0	0	3 000 000	0	0
Bus shelter - Proteadorp		0	0	0	100 000	0	0	100 000	0	0
Stormwater - Phase 1-Industrial Area		0	0	0	3 800 000	0	0	3 800 000	0	0
Stormwater - Main Rd & High Street		0	0	0	4 000 000	0	0	4 000 000	0	0
Tarring of Roads -Sandbaai		0	0	0	2 000 000	0	0	2 000 000	0	0
Cemetery - Kleinmond		0	0	0	500 000	1 000 000	0	500 000	1 000 000	0
Upgrading of Buffelsgbaai Creche		0	0	0	65 000	0	0	65 000	0	0
5 CHANGES										
Sidewalk Maintenance Completion (Main Rd Bay View to end of Mollegan Park)		0	0	0	0	0	0	0	0	0
Formalized Parking and Drop off areas near Hermanus High School		0	0	0	0	0	0	0	0	0
Buffelsgbaai and De Boer Open Intake Structures and Equipment		0	0	0	0	0	0	0	0	0
Sidewalk on the side of Uitskyk China		0	0	0	0	0	0	0	0	0
Town Hall La Angles Aster		0	0	0	0	0	0	0	0	0
Raised Sidewalk crossing near Wester, Onrus Main Rd		0	0	0	0	0	0	0	0	0
Sidewalk on the western side of Wester, Onrus Main Rd		0	0	0	0	0	0	0	0	0
Minor Assets		0	0	0	-20 000	0	0	20 000	0	0
Minor Assets		0	0	0	20 000	0	0	20 000	0	0
Bottomline		28 498 402	12 010 000	3 575 000	22 501 111	1 000 000	0	50 999 513	13 010 000	3 575 000



DEPT FROM	DEPT TO	SUMMARY OF CHANGES ON 2018 - 2021 BUDGET									
		Draft 2018/2019	Draft 2019/2020	Draft 2020/2021	Change 2018/2019	Change 2019/2020	Change 2020/2021	Final 2018/2019	Final 2019/2020	Final 2020/2021	
		DRAFT BUDGET			CHANGE			FINAL BUDGET			
		2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021	2018/2019	2019/2020	2020/2021	
EXPENDITURE		1 124 256 951	1 221 414 142	1 249 500 627	9 987 761	7 632 363	8 927 340	1 134 244 712	1 229 046 506	1 258 427 967	
REVENUE		-1 709 204 100	-1 219 551 851	-1 287 310 355	-2 371 150	-1 000 000	-1 000 000	-1 442 548 860	-1 229 833 371	-1 210 000 000	
OPERATIONAL- Surplus/Deficit		-584 947 149	-1 237 936 709	-37 828 728	7 716 111	5 584 583	7 063 352	-308 328 148	-1 632 800 135	-41 572 033	
CAPITAL		171 735 950	133 029 957	137 248 905	22 501 111	1 000 000	0	194 237 061	134 029 957	137 248 905	



TARIFF ADJUSTMENTS 2018/2019 FINAL (after public participation)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S40J	Kleinmond Hall, & Hawston Thusong Centre				
S40J14	Non-fundraising: Parties, weddings, indoor sports, etc. per hour	126.09	145.00	119.02	136.87
S40J11	Non-fundraising: Parties, weddings, indoor sports, etc. per daytime or evening	316.52	364.00	119.02	136.87
Add Note to clarify above tariff.					
Note	Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge seperately)				

WATER

W1B CONSUMPTION - HOUSEHOLDS	
Normal Tariff	
Normal Tariff & Level 1 restrictions	
Restriction Tariff (level 1 restrictions)	
Restriction Tariff 1 (level 2 & 3 restrictions)	
Restriction Tariff (level 2 restrictions)	
Restriction Tariff 2 (level 4 & 5 restrictions)	
Restriction Tariff (level 3 restrictions)	
Restriction Tariff 3 (level 6 restrictions)	
Apply to tariff W1B & W1B1 & W1C & W18A - W18C & W1E & W1F	

OTHER CONSUMERS					
W1D					
W1D8	Bulk usage (Unconnected to networks) per KI - People residing outside the Overstrand municipal area	49.30	56.70	new	new
W1D8	Bulk usage (Unconnected to networks) per KI - People residing outside the Overstrand municipal area & Level 1 restrictions	49.30	56.70	new	new
W4D8A	Restriction Tariff (level 1 restrictions)	64.09	73.06	new	new
W1D8A	Restriction Tariff 1 (level 2 & 3 restrictions)	64.09	73.06	new	new
W4D8B	Restriction Tariff (level 2 restrictions)	402.54	446.90	new	new
W1D8B	Restriction Tariff 2 (level 4 & 5 restrictions)	78.88	89.92	new	new
W4D8C	Restriction Tariff (level 3 restrictions)	428.18	446.13	new	new
W1D8C	Restriction Tariff 3 (level 6 restrictions)	98.60	112.40	new	new

RESORTS (Onrus)

R1E4	Electricity if available per stand per day	38.26	44.00	35.97	41.36
R1E3	Electricity if available per stand per day	21.74	25.00	35.97	41.36
R30M	1 Stand per day	400.57	471.00	385.96	443.85
R30M1	A Stand per day	408.70	470.00	385.96	443.85
R30M2	B Stand per day	315.65	363.00	297.81	342.48
R30A2	B Stand per day	313.04	360.00	297.81	342.48



Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
R30B4	A Stands per day	226.96	261.00	214.04	246.15
R30B1	A Stands per day	226.09	260.00	214.04	246.15
R30B2	B Stands per day	493.04	222.00	481.58	208.82
R30B2	B Stands per day	191.30	220.00	181.58	208.82
R30F8	Gate Card / Key Deposit per set - Refundable	457.39	481.00	448.00	no vat
R30F8	Gate Card / Key Deposit per set - Refundable	160.00	no vat	148.00	no vat
R30F4	Electricity if available per stand per day	38.26	44.00	35.97	41.36
R30F1	Electricity if available per stand per day	21.74	25.00	35.97	41.36
R80E4	Electricity if available per stand per day	38.26	44.00	35.97	41.36
R80E1	Electricity if available per stand per day	21.74	25.00	35.97	41.36

## ELECTRICITY - NERSA indicated

THREE PHASE: COMMERCIAL & DOMESTIC					
Two-Part Tariff: Credit up to 100A (70 KVA BDMD) DOMESTIC					
E3E4	IBT BLOCK 3	> 600 kWh	C	205.24	236.03
E3E4	IBT BLOCK 3	> 600 kWh	E	206.02	236.92
Two-Part Tariff: Pre-paid up to 100A (70 KVA BDMD) DOMESTIC					
E3E8	IBT BLOCK 3	> 600 kWh	C	197.15	226.72
E3E8	IBT BLOCK 3	> 600 kWh	E	198.03	227.73
				185.33	213.13
				185.33	213.13

ALSO SEE REDUCED CONSUMPTION TARIFFS IN TARIFF LIST, AFTER NERSA REVIEW



## **ANNEXURE B**

### **A1 SCHEDULE & A2 BUDGET CHARTS**





The A Schedule Budget Tables is a National Treasury template that is, in many instances, sheet & cell protected. It should be noted that some tables contain inconsistent formatting and formula errors, which displays some table layouts and data incorrectly. As the inclusion of the Budget tables in the Budget Report is a requirement of the Budget Regulations, the tables are displayed according to the formulae and formatting from the protected excel worksheets & cells



**Municipal annual budgets  
and MTREF  
&  
supporting tables**

mSCOA Version 6.2

Munisipaliteit • U-Masipala • Municipality

**OVERSTRAND**



Municipality Name: WC032 Overstrand

CFO Name: SANTIE REYNFKE-NAUDE

Tel: 028 3138040

Fax: 028 3138128

E-Mail: cfo@overstrand.gov.za

Budget for MTREF starting: 2018

Budget Year: 2018/19

Does this municipality have Entities? No

If YES: Identify type of report: Consolidated Information



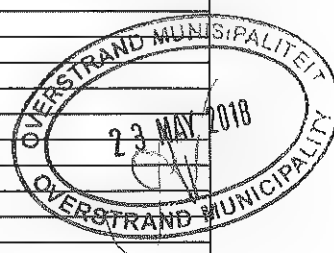


Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Council	Vote 1 <b>Council</b>	1.1 - Council General
Vote 2 - Municipal Manager	1.1 Council General	1.2 - Mayor's Office
Vote 3 - Management Services	1.2 Mayor's Office	1.3 - Pensioners & Continued Members
Vote 4 - Finance	1.3 Pensioners & Continued Members	
Vote 5 - Community Services	Vote 2 <b>Municipal Manager</b>	2.1 - Municipal Manager
Vote 6 - Economic and Social Development & Tourism	2.1 Municipal Manager	2.2 - Internal Audit
Vote 7 - Infrastructure & Planning	2.2 Internal Audit	
Vote 8 - Protection Services	Vote 3 <b>Management Services</b>	3.1 - Director: Management Services
	3.1 Director: Management Services	3.2 - Communication
	3.2 Communication	3.3 - Legal Services
	3.3 Legal Services	3.4 - Strategic Services
	3.4 Strategic Services	3.5 - Human Resources
	3.5 Human Resources	3.6 - Info & Communication Technology
	3.6 Info & Communication Technology	3.7 - Council Support Services
	3.7 Council Support Services	3.8 - Social Development
	3.8 Social Development	3.9 - Risk Management
	3.9 Risk Management	3.10 - Municipal Court
	3.10 Municipal Court	
	Vote 4 <b>Finance</b>	4.1 - Director: Finance
	4.1 Director: Finance	4.2 - Deputy Director: Finance
	4.2 Deputy Director: Finance	4.3 - Accounting Services
	4.3 Accounting Services	4.4 - Expenditure & Asset Management
	4.4 Expenditure & Asset Management	4.5 - Revenue
	4.5 Revenue	4.6 - Supply Chain Management
	4.6 Supply Chain Management	4.7 - Data Control
	4.7 Data Control	4.8 - Assessment Rates
	4.8 Assessment Rates	
	Vote 5 <b>Community Services</b>	5.1 - Director & Administration
	5.1 Director & Administration	5.2 - Offices & Community Buildings
	5.2 Offices & Community Buildings	5.3 - Parks & Townlands, Cemeteries
	5.3 Parks & Townlands, Cemeteries	5.4 - Libraries
	5.4 Libraries	5.5 - Sport & Recreation
	5.5 Sport & Recreation	5.6 - Housing & Social Upliftment
	5.6 Housing & Social Upliftment	5.7 - Roads & Stormwater
	5.7 Roads & Stormwater	5.8 - Water
	5.8 Water	5.9 - Sewerage
	5.9 Sewerage	5.10 - Refuse
	5.10 Refuse	
	Vote 6 <b>Economic and Social Development &amp; Tourism</b>	6.1 - Director: Economic Development & Planning
	6.1 Director: Economic Development & Planning	6.2 - Tourism
	6.2 Tourism	6.3 - Parking Services
	6.3 Parking Services	6.4 - EPWP
	6.4 EPWP	6.5 - Social Development
	6.5 Social Development	
	Vote 7 <b>Infrastructure &amp; Planning</b>	7.1 - Director: Infrastructure & Planning
	7.1 Director: Infrastructure & Planning	7.2 - Deputy Director: Engineering Planning
	7.2 Deputy Director: Engineering Planning	7.3 - Engineering Services & Housing Development
	7.3 Engineering Services & Housing Development	7.4 - Town Planning
	7.4 Town Planning	7.5 - Geographical Info System (GIS)
	7.5 Geographical Info System (GIS)	7.6 - Building Control Services
	7.6 Building Control Services	7.7 - Environmental Management Services
	7.7 Environmental Management Services	7.8 - Electricity
	7.8 Electricity	7.9 - Solid Waste Planning & Solid Waste Disposal
	7.9 Solid Waste Planning & Solid Waste Disposal	7.10 - Property Administration
	7.10 Property Administration	
	Vote 8 <b>Protection Services</b>	8.1 - Director: Protection Services
	8.1 Director: Protection Services	8.2 - Traffic
	8.2 Traffic	8.3 - Law Enforcement
	8.3 Law Enforcement	8.4 - Vehicle Testing
	8.4 Vehicle Testing	8.5 - Fire Brigade
	8.5 Fire Brigade	8.6 - Vehicle Licensing
	8.6 Vehicle Licensing	8.7 - Special Task Team Unit
	8.7 Special Task Team Unit	8.8 - Disaster Management
	8.8 Disaster Management	8.9 - Security Services
	8.9 Security Services	



1 Grade in terms of the Remuneration of Public Office Bearers Act.

WC032 Overstrand - Contact Information	
<b>A. GENERAL INFORMATION</b>	
Municipality	WC032 Overstrand
Grade	3
Province	WC WESTERN CAPE
Web Address	www.overstrand.gov.za
e-mail Address	bking@overstrand.gov.za
<b>B. CONTACT INFORMATION</b>	
<b>Postal address:</b>	
P O Box	P O BOX 20
City / Town	HERMANUS
Postal Code	7200
<b>Street address</b>	
Building	MUNICIPAL OFFICE
Street No. & Name	MAGNOLIA STREET
City / Town	HERMANUS
Postal Code	7200
<b>General Contacts</b>	
Telephone number	028 313 8000
Fax number	028 313 8128
<b>C. POLITICAL LEADERSHIP</b>	
<b>Speaker:</b>	
ID Number	600826 5162 08 8
Title	Mr
Name	ANTON COETSEE
Telephone number	028 3164454
Cell number	083 2835 237
Fax number	086 603 6114
E-mail address	antoncoetsee@hermanus.co.za
<b>Mayor/Executive Mayor:</b>	
ID Number	470721 5075 08 2
Title	Mr
Name	DUDLEY COETZEE
Telephone number	028 3138016
Cell number	082 5744 404
Fax number	028 313 8067
E-mail address	dcoetsee@overstrand.gov.za
<b>Deputy Mayor/Executive Mayor:</b>	
ID Number	750427 0161 08 0
Title	Mrs
Name	Einora Gillion
Telephone number	028 313 8016
Cell number	0606520214
Fax number	
E-mail address	egillion@overstrand.gov.za
<b>D. MANAGEMENT LEADERSHIP</b>	
<b>Municipal Manager:</b>	
ID Number	5510065096086
Title	Mr
Name	COENIE GROENEWALD
Telephone number	028 3138003
Cell number	082 5529 555
Fax number	0865689726
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<b>Chief Financial Officer</b>	
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Name	SANTIE REYNEKE-NAUDE
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Cell number	082 551 4499
Fax number	028 3138128
E-mail address	cfo@overstrand.gov.za
<b>Official responsible for submitting financial information</b>	
ID Number	
Title	Mr
Name	BERNARD KING
Telephone number	028 3138154
Cell number	
Fax number	028 313 8128
E-mail address	bking@overstrand.gov.za
<b>Official responsible for submitting financial information</b>	
ID Number	
Title	Mrs
Name	GEORGIA BUCCHIANERI
Telephone number	028 3138913
Cell number	
Fax number	028 313 8128
E-mail address	gbucchianeri@overstrand.gov.za
<b>Secretary/PA to the Speaker:</b>	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	
<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number	700621 0297 08 1
Title	Ms
Name	DORET TALJAARD
Telephone number	028 3138052
Cell number	060 8368 895
Fax number	028 3138067
E-mail address	dtaljaard@overstrand.gov.za
<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
ID Number	880922 0040 08 9
Title	Mrs
Name	MADELINE de VILLIERS
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Cell number	074 777 7640
Fax number	
E-mail address	maycomsec@overstrand.gov.za
<b>Secretary/PA to the Municipal Manager:</b>	
ID Number	5904010048088
Title	Mrs
Name	RENTIA PRETORIUS
Telephone number	028 3138909
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Fax number	865689726
E-mail address	rpriorius@overstrand.gov.za
<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number	5612020062086
Title	Mrs
Name	RITA LE ROUX
Telephone number	028 313 8074
Cell number	
Fax number	028 313 8128
E-mail address	rleroux@overstrand.gov.za
<b>Official responsible for submitting financial information</b>	
ID Number	
Title	Ms
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Telephone number	028 3138131
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Fax number	028 313 8128
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<b>Official responsible for submitting financial information</b>	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	152 607	164 400	197 047	212 784	214 752	214 752	234 998	249 098	264 044
Service charges	521 423	573 118	624 577	577 648	586 148	586 148	613 718	650 464	689 427
Investment revenue	8 144	12 209	20 347	13 962	19 462	19 462	21 001	21 001	21 001
Transfers recognised - operational	60 473	103 629	114 411	113 688	129 217	129 217	130 568	167 058	162 087
Other own revenue	61 937	77 249	96 741	75 134	98 062	98 062	79 944	84 547	89 385
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>804 584</b>	<b>930 691</b>	<b>1 053 123</b>	<b>993 217</b>	<b>1 047 640</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>
Employee costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Remuneration of councillors	8 104	8 566	9 265	10 053	10 253	10 253	10 972	11 518	12 091
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Finance charges	43 447	46 207	45 913	47 440	47 440	47 440	47 834	50 433	52 064
Materials and bulk purchases	195 414	214 224	237 796	261 093	273 537	273 537	296 190	344 678	348 050
Transfers and grants	50 392	51 090	56 136	1 778	1 778	1 778	500	278	292
Other expenditure	234 390	220 166	264 199	253 926	259 737	259 737	281 361	305 744	309 046
<b>Total Expenditure</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit)</b>	<b>(119 542)</b>	<b>(7 036)</b>	<b>5 432</b>	<b>(44 584)</b>	<b>(4 556)</b>	<b>(4 556)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocations)	55 498	60 651	33 681	47 840	73 441	73 441	61 968	58 530	63 249
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
Transfers recognised - capital	55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
Public contributions & donations	607	743	1 440	-	-	-	-	-	-
Borrowing	39 012	27 189	35 550	30 000	23 200	23 200	68 650	64 000	54 000
Internally generated funds	14 550	6 549	13 104	19 808	19 983	19 983	63 519	21 500	20 000
<b>Total sources of capital funds</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Financial position</b>									
Total current assets	220 542	307 820	410 829	352 438	519 961	519 961	523 717	549 028	557 949
Total non current assets	3 757 127	3 731 761	3 701 228	3 681 110	3 647 086	3 647 086	3 718 075	3 730 561	3 747 483
Total current liabilities	155 682	169 587	181 973	186 466	186 466	186 466	215 151	221 287	207 020
Total non current liabilities	602 191	611 666	629 633	638 205	638 205	638 205	673 454	701 922	710 257
Community wealth/Equity	3 219 796	3 258 328	3 300 451	3 208 877	3 342 376	3 342 376	3 353 187	3 356 380	3 388 155
<b>Cash flows</b>									
Net cash from (used) operating	119 478	160 551	182 651	123 839	165 237	165 237	175 190	132 544	126 946
Net cash from (used) investing	(101 315)	(99 253)	(93 891)	(103 656)	(45 810)	(45 810)	(201 351)	(141 359)	(144 817)
Net cash from (used) financing	23 666	11 000	(3 727)	2 810	3 218	3 218	23 944	19 824	15 808
<b>Cash/cash equivalents at the year end</b>	<b>104 987</b>	<b>174 780</b>	<b>259 814</b>	<b>214 936</b>	<b>382 460</b>	<b>382 460</b>	<b>380 242</b>	<b>391 251</b>	<b>389 188</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	128 136	204 521	297 796	258 358	425 881	425 881	430 789	449 137	454 648
Application of cash and investments	(9 214)	1 281	22 898	(1 010)	9 602	13 802	16 883	8 912	(12 108)
<b>Balance - surplus (shortfall)</b>	<b>137 349</b>	<b>203 239</b>	<b>274 698</b>	<b>259 368</b>	<b>416 279</b>	<b>412 079</b>	<b>413 906</b>	<b>440 225</b>	<b>466 755</b>
<b>Asset management</b>									
Asset register summary (WDV)	3 733 924	3 701 981	3 663 220	3 637 668	3 603 644	3 603 644	3 667 519	3 672 673	3 682 023
Depreciation	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Renewal of Existing Assets	32 727	15 884	34 479	11 280	7 713	7 713	-	-	-
Repairs and Maintenance	158 026	109 377	120 795	169 284	191 235	191 235	225 212	239 512	252 118
<b>Free services</b>									
Cost of Free Basic Services provided	4 062	3 535	5 174	63 657	63 657	63 657	79 256	91 557	116 086
Revenue cost of free services provided	38 196	41 738	50 566	90 499	86 688	86 688	111 180	136 378	127 714
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-
Energy	1	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-



WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Revenue - Functional</b>									
<i><b>Governance and administration</b></i>	236 294	273 519	215 000	262 309	293 947	293 947	296 029	312 713	330 858
Executive and council	52 212	64 991	74 405	21 759	21 759	21 759	25 110	27 147	29 991
Finance and administration	184 082	208 528	241 206	240 502	272 074	272 074	270 868	285 566	300 867
Internal audit	-	-	12	48	114	114	51	-	-
<i><b>Community and public safety</b></i>	49 167	70 859	64 775	59 370	93 932	93 932	81 447	110 586	96 321
Community and social services	5 334	3 184	8 600	9 557	8 603	8 603	7 413	10 209	10 734
Sport and recreation	7 939	9 743	10 371	10 558	10 258	10 258	13 000	17 186	14 413
Public safety	736	1 437	461	2 928	2 928	2 928	1 272	1 348	1 429
Housing	35 158	56 496	40 333	36 327	72 143	72 143	59 762	81 842	69 744
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	41 563	57 974	65 909	56 638	61 878	61 878	58 097	57 704	58 891
Planning and development	9 861	13 627	13 713	11 967	11 967	11 967	11 449	10 094	10 699
Road transport	31 684	38 278	52 187	44 650	49 890	49 890	46 648	47 610	48 191
Environmental protection	19	9	9	22	22	22	0	0	0
<i><b>Trading services</b></i>	533 058	595 050	610 100	610 100	671 325	671 325	706 624	749 896	803 123
Energy sources	289 929	334 747	363 310	370 050	370 410	370 410	395 354	422 870	448 613
Water management	109 654	118 583	136 174	130 926	131 026	131 026	133 327	143 633	154 133
Waste water management	76 614	79 988	84 686	91 423	97 978	97 978	101 333	101 244	112 737
Waste management	56 861	61 733	66 329	70 340	71 910	71 910	76 610	81 949	87 641
<i><b>Other</b></i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>860 082</b>	<b>991 343</b>	<b>1 086 805</b>	<b>1 041 057</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 196</b>	<b>1 230 699</b>	<b>1 289 193</b>
<b>Expenditure - Functional</b>									
<i><b>Governance and administration</b></i>	232 730	233 036	253 631	211 792	212 955	212 955	221 783	239 027	244 029
Executive and council	94 661	95 246	110 304	48 861	52 173	52 173	55 867	58 666	62 304
Finance and administration	138 069	137 790	141 426	160 383	158 331	158 331	162 952	177 316	178 525
Internal audit	-	-	1 901	2 548	2 451	2 451	2 944	3 044	3 200
<i><b>Community and public safety</b></i>	106 732	84 724	102 799	113 495	123 693	123 693	144 344	180 047	166 393
Community and social services	35 196	30 985	31 538	14 904	14 555	14 555	16 752	16 977	18 015
Sport and recreation	16 677	13 956	15 886	42 993	43 264	43 264	58 238	61 164	63 419
Public safety	24 212	24 608	34 493	30 817	32 333	32 333	38 381	43 180	42 309
Housing	32 647	15 175	20 882	24 781	33 541	33 541	30 974	58 726	42 650
Health	-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>	128 949	185 614	217 152	193 013	191 471	191 471	196 571	204 572	210 646
Planning and development	23 230	63 258	75 344	36 431	37 001	37 001	40 059	39 850	41 788
Road transport	100 057	117 597	136 405	150 568	148 536	148 536	147 972	155 586	169 420
Environmental protection	5 662	4 758	5 402	6 014	5 934	5 934	8 540	9 157	9 438
<i><b>Trading services</b></i>	453 715	434 352	471 097	471 200	522 902	522 902	568 159	601 794	633 617
Energy sources	229 494	261 110	285 447	282 999	287 123	287 123	311 806	330 970	351 107
Water management	71 697	67 325	65 931	104 872	105 055	105 055	110 285	116 618	120 140
Waste water management	57 717	57 091	63 101	73 606	72 822	72 822	78 918	83 899	87 737
Waste management	94 806	48 826	56 618	56 813	57 903	57 903	67 150	70 307	74 632
<i><b>Other</b></i>	-	-	3 012	1 213	1 175	1 175	3 408	3 607	3 743
<b>Total Expenditure - Functional</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



WC032 Overstrand - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Approved Budget	Adjusted Budget	Final Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Functional</b>									
<i>Municipal governance and administration</i>	236 294	273 519	315 623	262 309	293 947	293 947	296 029	312 713	330 858
Executive and council	52 212	64 991	74 405	21 759	21 759	21 759	25 110	27 147	29 891
Mayor and Council	52 212	64 991	74 405	21 675	21 675	21 675	24 988	26 898	29 854
Municipal Manager, Town Secretary and Chief Executive	9 007	17 593	7 614	84	84	84	122	149	137
Finance and administration	184 082	208 528	241 206	240 502	272 074	272 074	270 868	285 566	300 887
Administrative and Corporate Support	172 583	187 670	227 690	16 861	22 461	22 461	23 000	23 000	23 000
Asset Management									
Budget and Treasury Office									
Finance									
Fleet Management									
Human Resources	755	835	865	143	143	143	240	240	240
Information Technology	935	2 230	(5)						
Legal Services									
Marketing, Customer Relations, Publicity and Media Co			5 633	467	467	467	482	510	541
Property Services									
Risk Management									
Security Services				10	10	10	65	69	73
Supply Chain Management					23 824	23 824	100	100	100
Valuation Service									
Internal audit			12	48	114	114	51		
Governance Function			12	48	114	114	51		
Community and public safety	49 967	78 859	54 775	59 370	83 932	83 932	81 447	110 586	96 321
Community and social services	5 334	3 184	3 000	9 557	8 803	8 803	7 413	10 209	10 734
Aged Care									
Agriculture									
Animal Care and Diseases									
Cemeteries, Funeral Parlours and Crematoriums	209	235	212	191	191	191	198	210	222
Child Care Facilities									
Community Halls and Facilities	5 016	2 820	3 255	1 803	308	308	334	2 748	2 463
Consumer Protection									
Cultural Matters									
Disaster Management									
Education									
Indigenous and Customary Law									
Industrial Promotion									
Language Policy									
Libraries and Archives	109	129	142	7 583	8 104		6 881	7 251	7 649
Literacy Programmes									
Media Services									
Museums and Art Galleries									
Population Development									
Provincial Cultural Matters									
Theatres									
Zoo's									
Sport and recreation	7 839	9 743	10 371	10 558	10 258	10 258	13 000	17 188	14 413
Beaches and Jetties				648	648	648	692	720	760
Casinos, Racing, Gambling, Wagering									
Community Parks (including Nurseries)				2 912	2 912	2 912	3 804	4 032	4 273
Recreational Facilities	7 839	9 743	10 371	6 690	6 690	6 690	6 993	7 413	7 858
Sports Grounds and Stadiums				300	0	0	1 520	5 021	1 523
Public safety	736	1 437	481	2 928	2 928	2 928	1 272	1 348	1 429
Civil Defence	80	289							
Cleaning									
Control of Public Nuisances									
Fencing and Fences									
Fire Fighting and Protection	657	1 147	481	2 742	2 742	2 742	1 040	1 102	1 169
Licensing and Control of Animals				186	186	186	232	248	261
Housing	38 168	58 486	40 333	36 327	72 143	72 143	58 782	81 642	69 744
Housing	35 158	56 486	40 333	36 327	72 143	72 143	59 782	81 642	69 744
Informal Settlements									
<b>Health</b>									
Ambulance									
Health Services									
Laboratory Services									
Food Control									
Health Surveillance and Prevention of Communicable									
Vector Control									
Chemical Safety									
Economic and environmental services	41 563	51 914	65 909	56 638	61 878	61 878	50 097	57 704	58 891
Planning and development	9 961	13 627	13 713	11 967	11 967	11 967	11 449	10 024	10 499
Billboards									
Corporate Wide Strategic Planning (IDPs, LEDEs)									
Central City Improvement District									
Development Facilitation									
Economic Development/Planning	3 389	3 977	12 155	2 300	2 300	2 300	1 926		
Regional Planning and Development									
Town Planning, Building Regulations and Enforcement, and	6 472	9 650	1 558	8 496	8 496	8 496	9 472	10 641	10 643
Project Management Unit				1 171	1 171	1 171	50	53	56
Provincial Planning									
Support to Local Municipalities									
Road transport	31 684	38 276	52 187	44 650	48 980	48 980	46 648	47 610	48 191
Police Forces, Traffic and Street Parking Control	23 635	28 208	41 708	40 264	39 264	39 264	40 924	43 359	45 940
Pounds									
Public Transport									
Road and Traffic Regulation									
Roads	8 048	12 071	10 419	4 385	10 625	10 625	5 724	4 251	2 251
Taxi Ranks									
Environmental protection	19	9	9	22	22	22	0	0	0
Biodiversity and Landscape	19	9	9	22	22	22	0	0	0
Coastal Protection									
Indigenous Forests									
Nature Conservation									
Pollution Control									
Soil Conservation									
Trading services	533 058	595 850	650 498	662 740	671 325	671 325	706 624	749 696	803 123
Energy sources	289 929	334 747	363 310	370 050	370 050	370 050	395 354	422 870	448 613
Electricity	289 929	334 747	363 310	370 050	370 050	370 050	395 354	422 870	448 613
Street Lighting and Signal Systems					360	360			
Non-electric Energy									
Water management	109 654	118 583	136 174	130 926	131 026	131 026	133 327	143 633	154 133
Water Treatment				0	100	100			
Water Distribution	109 654	118 583	136 174	130 926	130 926	130 926	133 327	143 633	154 133
Water Storage									
Waste water management	76 614	79 908	84 688	91 423	97 978	97 978	101 333	101 244	112 737
Public Toilets									
Sewerage	75 414	77 211	82 291	84 523	84 788	84 788	100 940	99 105	108 637
Storm Water Management	1 200	2 777	2 394	6 900	13 190	13 190	393	2 138	4 100
Waste Water Treatment									
Waste management	58 861	61 733	66 329	70 340	71 000	71 000	76 610	81 849	87 641
Recycling									
Solid Waste Disposal (Landfill Sites)				1 088	1 158	1 158	1 146	1 215	1 288
Solid Waste Removal	58 861	61 733	66 329	69 252	70 752	70 752	75 484	80 794	86 353
Street Cleaning									
<b>Other</b>									
Abolition									
Air Transport									
Forestry									
Licensing and Regulation									
Markets									
Tourism									
<b>Total Revenue - Functional</b>	<b>860 082</b>	<b>991 343</b>	<b>1 066 905</b>	<b>1 041 057</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 190</b>	<b>1 230 699</b>	<b>1 289 193</b>



Expenditure - Functional	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
<b>Municipal governance and administration</b>	<b>232 730</b>	<b>233 036</b>	<b>253 631</b>	<b>211 792</b>	<b>212 955</b>	<b>212 955</b>	<b>221 763</b>	<b>239 027</b>	<b>244 029</b>
Executive and council	94 661	95 246	110 304	48 661	52 173	52 173	55 667	56 666	62 304
Mayor and Council	92 630	93 119	89 980	27 343	31 206	31 206	33 048	34 569	37 103
Municipal Manager, Town Secretary and Chief Executive	2 031	2 127	20 324	21 518	20 967	20 967	22 619	24 096	25 201
Finance and administration	138 069	137 790	141 426	160 383	156 331	156 331	162 952	177 316	178 525
Administrative and Corporate Support	46 788	41 929	40 230	42 467	42 416	42 416	32 233	32 645	34 464
Asset Management	-	-	-	-	-	-	-	-	-
Budget and Treasury Office	58 742	63 826	-	6 243	6 223	6 223	6 202	6 472	6 767
Finance	-	-	64 980	56 661	57 941	57 941	62 538	71 722	68 777
Fleet Management	-	-	-	4 761	4 685	4 685	7 130	7 342	7 532
Human Resources	9 950	8 665	9 730	11 958	11 576	11 576	12 234	12 431	12 958
Information Technology	11 371	11 530	12 168	16 188	15 366	15 366	20 476	22 728	23 091
Legal Services	-	-	-	5 803	4 703	4 703	4 737	4 965	5 225
Marketing, Customer Relations, Publicity and Media Co-Property Services	12 118	11 840	14 317	1 844	1 640	1 640	2 877	3 019	3 140
Risk Management	-	-	-	4 262	5 292	5 292	4 621	5 365	5 646
Security Services	-	-	-	-	-	-	-	-	-
Supply Chain Management	-	-	-	10 267	8 407	8 407	9 905	10 408	10 908
Valuation Service	-	-	-	50	50	50	-	-	-
Internal audit	-	-	1 901	2 548	2 451	2 451	2 944	3 044	3 280
Governance Function	-	-	1 901	2 548	2 451	2 451	2 944	3 044	3 280
<b>Community and public safety</b>	<b>106 732</b>	<b>84 724</b>	<b>102 799</b>	<b>113 895</b>	<b>123 693</b>	<b>123 693</b>	<b>144 344</b>	<b>160 647</b>	<b>165 393</b>
Community and social services	35 196	30 985	31 538	14 904	14 555	14 555	16 752	16 977	16 915
Aged Care	-	-	-	8	8	8	1	1	1
Agricultural	-	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	416	441	502	519	499	499	842	901	954
Child Care Facilities	-	-	-	15	10	10	722	-	-
Community Halls and Facilities	26 858	23 748	23 888	6 173	6 047	6 047	6 436	6 822	7 265
Consumer Protection	-	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-	-
Libraries and Archives	5 923	6 797	7 150	8 989	7 990	7 990	8 751	9 252	9 775
Literacy Programmes	-	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-	-
Sport and recreation	16 677	13 956	15 886	42 993	43 264	43 264	66 238	61 564	63 419
Beaches and Jetties	-	-	-	4 637	6 005	6 005	5 160	5 975	6 323
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	16 677	13 956	15 886	22 547	22 226	22 226	24 362	25 803	27 119
Recreational Facilities	-	-	-	10 234	9 908	9 908	11 459	12 193	12 662
Sports Grounds and Stadiums	-	-	-	5 975	5 125	5 125	17 267	17 093	17 095
Public safety	24 212	24 606	34 493	36 817	32 333	32 333	36 381	43 180	42 309
Civil Defence	11 558	11 254	-	-	-	-	2 907	3 070	3 244
Cleansing	-	-	-	817	811	811	-	-	-
Control of Public Nuisances	-	-	10 415	11 372	10 406	10 406	13 064	14 720	14 056
Fencing and Fences	-	-	-	-	-	-	-	-	-
Fire Fighting and Protection	12 654	13 354	24 078	16 628	21 116	21 116	22 410	25 390	24 409
Licensing and Control of Animals	-	-	-	-	-	-	-	-	-
Housing	32 847	15 175	28 682	24 761	33 541	33 541	30 974	66 726	42 650
Housing	32 847	15 175	28 682	24 761	33 541	33 541	30 974	66 726	42 650
Informal Settlements	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-	-
Food Control	-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable	-	-	-	-	-	-	-	-	-
Vector Control	-	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>126 946</b>	<b>185 614</b>	<b>217 192</b>	<b>183 613</b>	<b>191 471</b>	<b>191 471</b>	<b>198 671</b>	<b>304 672</b>	<b>210 640</b>
Planning and development	23 230	63 256	75 244	26 431	37 001	37 001	40 059	39 690	41 768
Billboards	-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDS)	-	-	-	2 884	2 877	2 877	4 039	4 292	4 484
Central City Improvement District	-	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	1 456	1 462	1 516
Economic Development/Planning	10 226	48 388	68 444	8 764	8 846	8 846	6 881	5 346	5 907
Regional Planning and Development	-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and Project Management Unit	13 004	14 861	8 801	18 436	16 643	16 643	26 344	21 059	22 057
Provincial Planning	-	-	-	6 348	6 636	6 636	7 339	7 720	8 122
Support to Local Municipalities	-	-	-	-	-	-	-	-	-
Road transport	100 057	117 597	136 405	156 668	148 536	148 536	147 972	155 506	169 420
Police Forces, Traffic and Street Parking Control	26 728	31 058	46 351	49 791	48 466	48 466	47 464	48 603	50 160
Pounds	-	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	-	-	-
Roads	71 331	86 500	90 054	100 737	100 030	100 030	100 488	106 903	109 260
Taxi Ranks	-	-	-	40	40	40	-	-	-
Environmental protection	5 662	4 758	5 402	6 014	5 934	5 934	8 540	9 137	9 438
Biodiversity and Landscape	5 662	4 758	-	1 850	1 850	1 850	8 540	9 137	9 438
Coastal Protection	-	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-	-
Nature Conservation	-	-	5 402	4 364	4 264	4 264	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	463 716	434 352	471 697	516 289	522 902	522 902	569 159	601 794	633 617
Energy sources	229 494	261 110	285 447	282 999	287 123	287 123	311 806	339 979	351 107
Electricity	229 494	261 110	285 447	282 999	287 003	287 003	310 966	339 689	350 103
Street Lighting and Signage Systems	-	-	-	190	120	120	840	690	944
Non-electric Energy	-	-	-	-	-	-	-	-	-
Water management	71 697	67 325	65 931	104 872	105 055	105 055	110 285	116 618	120 140
Water Treatment	-	-	-	58 114	58 172	58 172	56 388	59 589	60 920
Water Distribution	71 697	67 325	65 931	41 347	41 472	41 472	49 485	52 221	54 514
Water Storage	-	-	-	4 411	4 411	4 411	4 412	4 408	5 056
Waste water management	57 717	57 691	63 161	73 606	72 922	72 922	78 916	83 899	87 737
Public Toilets	287	265	320	480	350	350	483	512	542
Sewerage	50 443	46 544	51 256	47 865	46 306	46 306	44 858	47 351	49 528
Storm Water Management	6 987	11 324	11 324	10 173	9 662	9 662	12 823	13 987	14 421
Waste Water Treatment	-	-	-	15 167	14 462	14 462	20 752	22 649	23 245
Waste management	94 806	48 826	56 618	56 813	57 903	57 903	67 150	70 307	74 632
Recycling	-	-	-	319	319	319	330	359	360
Solid Waste Disposal (Landfill Sites)	94 806	48 826	56 618	26 647	29 441	29 441	30 300	34 038	36 465
Solid Waste Removal	-	-	-	27 846	28 143	28 143	35 051	34 997	36 708
Street Cleaning	-	-	3 012	1 213	1 175	1 175	3 408	3 607	3 743
Other	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	3 012	1 213	1 175	1 175	3 408	3 607	3 743
<b>Total Expenditure - Functional</b>	<b>924 128</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
Surplus/(Deficit) for the year	(64 044)	53 616	30 114	3 256	68 885	68 885	7 951	1 653	20 765



WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Revenue by Vote</b>									
Vote 1 - Council	52 212	64 991	73 145	21 675	21 675	21 675	24 988	26 998	29 854
Vote 2 - Municipal Manager	-	-	12	48	114	114	51	-	-
Vote 3 - Management Services	1 692	3 065	2 031	194	195	195	584	604	626
Vote 4 - Finance	172 583	189 358	231 289	239 556	247 304	247 304	269 683	284 336	299 588
Vote 5 - Community Services	270 453	293 898	319 854	319 477	332 518	332 518	338 690	359 849	383 342
Vote 6 - Economic and Social Development & Tourism	3 389	3 471	3 556	3 900	2 900	2 900	2 226	300	300
Vote 7 - Infrastructure & Planning	335 381	409 632	414 612	414 615	474 784	474 784	464 077	514 204	528 413
Vote 8 - Protection Services	24 371	26 927	42 387	41 592	41 592	41 592	41 886	44 408	47 070
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>860 082</b>	<b>991 343</b>	<b>1 086 805</b>	<b>1 041 057</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 196</b>	<b>1 230 699</b>	<b>1 289 193</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Council	75 314	74 562	89 974	25 959	29 972	29 972	33 049	34 570	37 104
Vote 2 - Municipal Manager	3 903	4 094	3 922	5 000	4 892	4 892	5 467	5 649	5 885
Vote 3 - Management Services	36 148	38 242	40 697	50 326	48 545	48 545	52 776	56 228	58 108
Vote 4 - Finance	58 742	63 843	64 984	73 025	71 248	71 248	78 645	88 602	86 470
Vote 5 - Community Services	347 042	335 658	345 237	384 996	384 553	384 553	409 514	427 714	443 592
Vote 6 - Economic and Social Development & Tourism	10 226	8 905	10 220	10 076	9 995	9 995	11 752	10 439	10 873
Vote 7 - Infrastructure & Planning	339 813	356 481	411 814	407 638	421 918	421 918	456 531	513 013	523 213
Vote 8 - Protection Services	52 938	55 942	80 844	80 782	81 073	81 073	86 511	92 832	93 183
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>





WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue by Vote</b>									
<b>Vote 1 - Council</b>	<b>52 212</b>	<b>64 991</b>	<b>73 145</b>	<b>21 675</b>	<b>21 675</b>	<b>21 675</b>	<b>24 988</b>	<b>26 998</b>	<b>29 854</b>
1.1 - Council General	52 212	64 991	73 145	21 675	21 675	21 675	24 988	26 998	29 854
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
<b>Vote 2 - Municipal Manager</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>48</b>	<b>114</b>	<b>114</b>	<b>51</b>	<b>-</b>	<b>-</b>
2.1 - Municipal Manager			12	48	114	114	51		
2.2 - Internal Audit									
<b>Vote 3 - Management Services</b>	<b>1 692</b>	<b>3 065</b>	<b>2 031</b>	<b>194</b>	<b>195</b>	<b>195</b>	<b>584</b>	<b>604</b>	<b>626</b>
3.1 - Director: Management Services			1 164	50	50	50	60	64	67
3.2 - Communication							-	-	-
3.3 - Legal Services							-	-	-
3.4 - Strategic Services							-	-	-
3.5 - Human Resources	755	835	865	144	144	144	520	537	555
3.6 - Info & Communication Technology	935	2 230					-	-	-
3.7 - Council Support Services	11	0	2		1	1	4	4	4
3.8 - Social Development							-	-	-
3.9 - Risk Management							-	-	-
3.10 - Municipal Court									
<b>Vote 4 - Finance</b>	<b>172 583</b>	<b>189 358</b>	<b>231 209</b>	<b>239 556</b>	<b>247 304</b>	<b>247 304</b>	<b>269 683</b>	<b>284 338</b>	<b>299 588</b>
4.1 - Director: Finance							-	-	-
4.2 - Deputy Director: Finance	1 407	1 042	1 475	1 550	1 830	1 830	1 830	1 830	1 550
4.3 - Accounting Services	9 353	13 791	23 580	16 961	22 461	22 461	23 000	23 000	23 000
4.4 - Expenditure & Asset Management	16	1 363	289	29	29	29	29	30	30
4.5 - Revenue	9 038	8 500	8 708	8 221	8 221	8 221	9 760	10 309	10 891
4.6 - Supply Chain Management	64	106	110	10	10	10	65	69	73
4.7 - Data Control	3						-	-	-
4.8 - Assessment Rates	152 703	164 554	197 047	212 784	214 752	214 752	234 998	249 098	264 044
<b>Vote 5 - Community Services</b>	<b>270 453</b>	<b>293 898</b>	<b>319 854</b>	<b>319 477</b>	<b>332 518</b>	<b>332 518</b>	<b>338 690</b>	<b>359 149</b>	<b>383 342</b>
5.1 - Director & Administration	5 767	7 482	7 258	7 569	8 107	8 107	170	176	181
5.2 - Offices & Community Buildings	2 670	1 182	1 012	2 508	1 013	1 013	1 067	3 544	3 686
5.3 - Parks & Townlands, Cemeteries	2 533	2 572	3 115	3 103	3 103	3 103	4 002	4 241	4 495
5.4 - Libraries	109	129	142	125	128	128	6 881	7 251	7 649
5.5 - Sport & Recreation	7 939	9 743	10 370	7 646	7 346	7 346	9 196	13 154	10 140
5.6 - Housing & Social Upliftment	403	414	1 000	1 501	1 501	1 501	382	405	430
5.7 - Roads & Stormwater	9 248	14 847	12 813	11 286	23 816	23 816	6 117	6 389	6 351
5.8 - Water	109 509	118 583	136 174	130 926	130 926	130 926	133 326	143 633	154 132
5.9 - Sewerage	75 414	77 211	82 291	84 523	84 788	84 788	100 940	99 105	108 637
5.10 - Refuse	56 861	61 733	66 329	70 290	71 790	71 790	76 610	81 949	87 641
<b>Vote 6 - Economic and Social Development &amp; Tourism</b>	<b>3 389</b>	<b>3 471</b>	<b>1 555</b>	<b>3 900</b>	<b>2 900</b>	<b>2 900</b>	<b>2 226</b>	<b>300</b>	<b>300</b>
6.1 - Director: Economic Development & Planning	1 768								
6.2 - Tourism									
6.3 - Parking Services	1 621	2 292	1 634	1 600	600	600	300	300	300
6.4 - EPWP		1 179	1 922	2 300	2 300	2 300	1 926	-	-
6.5 - Social Development									
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>335 381</b>	<b>409 632</b>	<b>414 612</b>	<b>414 615</b>	<b>474 784</b>	<b>474 784</b>	<b>464 077</b>	<b>514 204</b>	<b>528 413</b>
7.1 - Director: Infrastructure & Planning	941						-	-	-
7.2 - Deputy Director: Engineering Planning	1 162	506	571	50	220	220	50	53	56
7.3 - Engineering Services & Housing Development	34 898	58 081	41 634	35 997	71 812	71 812	59 100	81 140	69 000
7.4 - Town Planning	1 200	1 480	1 558	1 498	1 498	1 498	1 089	1 155	1 224
7.5 - Geographical Info System (GIS)							-	-	-
7.6 - Building Control Services	5 272	8 170	7 498	6 997	6 997	6 997	8 383	8 886	9 419
7.7 - Environmental Management Services	19	9	11	22	22	22	0	0	0
7.8 - Electricity	289 929	334 747	363 310	370 050	370 410	370 410	395 354	422 870	448 613
7.9 - Solid Waste Planning & Solid Waste Disposal	4 095						-	-	-
7.10 - Property Administration	(2 135)	8 639	32		23 824	23 824	100	100	100
<b>Vote 8 - Protection Services</b>	<b>24 371</b>	<b>26 927</b>	<b>42 387</b>	<b>41 592</b>	<b>41 592</b>	<b>41 592</b>	<b>41 896</b>	<b>44 408</b>	<b>47 070</b>
8.1 - Director: Protection Services									
8.2 - Traffic	23 635	25 490	41 480	38 664	38 664	38 664	40 624	43 059	45 640
8.3 - Law Enforcement	80	1 000	288	186	186	186	232	246	261
8.4 - Vehicle testing							-	-	-
8.5 - Fire Brigade	657	1 147	619	2 742	2 742	2 742	1 040	1 102	1 169
8.6 - Vehicle Licensing									
8.7 - Special Task Team Unit									
8.8 - Disaster Management									
8.9 - Security Services									
<b>Total Revenue by Vote</b>	<b>860 082</b>	<b>991 343</b>	<b>1 085 005</b>	<b>1 041 057</b>	<b>1 121 081</b>	<b>1 121 081</b>	<b>1 142 196</b>	<b>1 230 690</b>	<b>1 289 193</b>





WC032 Overstrand - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Expenditure by Vote</b>									
<b>Vote 1 - Council</b>	<b>75 314</b>	<b>74 562</b>	<b>89 974</b>	<b>25 959</b>	<b>29 972</b>	<b>29 972</b>	<b>33 049</b>	<b>34 570</b>	<b>37 104</b>
1.1 - Council General	74 524	73 737	88 915	24 755	28 833	28 833	31 585	33 174	35 638
1.2 - Mayor's Office	782	817	1 057	1 203	1 139	1 139	1 463	1 396	1 465
1.3 - Pensioners & Continued Members	8	8	1	0	0	0	1	1	1
<b>Vote 2 - Municipal Manager</b>	<b>3 903</b>	<b>4 094</b>	<b>3 922</b>	<b>5 000</b>	<b>4 892</b>	<b>4 892</b>	<b>5 467</b>	<b>5 649</b>	<b>5 885</b>
2.1 - Municipal Manager	2 031	2 127	2 021	2 452	2 442	2 442	2 523	2 604	2 685
2.2 - Internal Audit	1 872	1 967	1 901	2 548	2 451	2 451	2 944	3 044	3 200
<b>Vote 3 - Management Services</b>	<b>36 148</b>	<b>38 242</b>	<b>40 697</b>	<b>50 326</b>	<b>48 545</b>	<b>48 545</b>	<b>52 776</b>	<b>56 228</b>	<b>58 108</b>
3.1 - Director: Management Services	6 534	7 323	6 278	6 936	6 871	6 871	5 468	5 708	5 937
3.2 - Communication	1 670	2 099	2 406	3 224	2 870	2 870	2 877	3 019	3 140
3.3 - Legal Services	2 174	2 401	3 260	3 748	2 645	2 645	2 445	2 567	2 694
3.4 - Strategic Services	1 316	1 429	1 550	1 798	1 731	1 731	1 889	1 996	2 111
3.5 - Human Resources	9 050	8 665	9 897	11 958	11 576	11 576	12 234	12 431	12 958
3.6 - Info & Communication Technology	11 371	11 530	12 182	16 170	15 380	15 380	20 476	22 728	23 091
3.7 - Council Support Services	3 069	3 331	3 595	4 435	4 362	4 362	5 096	5 362	5 647
3.8 - Social Development	872	995	905	1 308	1 121	1 121	-	-	-
3.9 - Risk Management	-	-	-	-	-	-	-	-	-
3.10 - Municipal Court	93	469	623	750	1 989	1 989	2 292	2 418	2 531
<b>Vote 4 - Finance</b>	<b>58 742</b>	<b>63 843</b>	<b>64 984</b>	<b>73 025</b>	<b>71 248</b>	<b>71 248</b>	<b>78 645</b>	<b>88 602</b>	<b>86 470</b>
4.1 - Director: Finance	1 909	2 034	2 100	2 252	2 273	2 273	2 289	2 414	2 546
4.2 - Deputy Director: Finance	6 253	5 868	6 277	6 632	6 968	6 968	7 947	8 689	8 173
4.3 - Accounting Services	5 221	5 486	5 309	6 243	6 223	6 223	6 202	6 472	6 787
4.4 - Expenditure & Asset Management	8 734	10 808	10 497	12 119	11 993	11 993	12 737	13 390	14 093
4.5 - Revenue	21 813	22 849	23 569	26 694	26 060	26 060	28 586	29 771	31 454
4.6 - Supply Chain Management	8 103	7 760	7 702	10 207	8 407	8 407	9 905	10 408	10 906
4.7 - Data Control	637	599	612	1 347	1 347	1 347	1 382	1 439	1 499
4.8 - Assessment Rates	6 072	8 438	8 920	7 531	7 977	7 977	9 596	16 019	11 012
<b>Vote 5 - Community Services</b>	<b>347 042</b>	<b>335 658</b>	<b>345 237</b>	<b>384 996</b>	<b>384 553</b>	<b>384 553</b>	<b>409 514</b>	<b>427 714</b>	<b>443 592</b>
5.1 - Director & Administration	35 270	44 762	39 869	46 356	47 046	47 046	55 011	56 278	58 514
5.2 - Offices & Community Buildings	5 427	5 724	6 232	18 329	19 315	19 315	7 832	8 325	8 881
5.3 - Parks & Townlands, Cemeteries	23 846	19 431	19 913	23 666	23 372	23 372	25 934	27 580	28 856
5.4 - Libraries	5 923	6 797	7 150	8 153	7 955	7 955	8 751	9 252	9 775
5.5 - Sport & Recreation	16 964	12 881	15 885	20 571	20 217	20 217	32 934	33 983	35 251
5.6 - Housing & Social Upliftment	5 045	4 165	4 556	7 142	6 924	6 924	6 642	7 066	7 463
5.7 - Roads & Stormwater	104 015	94 871	101 571	107 603	106 460	106 460	109 165	116 274	119 206
5.8 - Water	71 697	67 335	65 931	66 582	66 420	66 420	68 493	71 661	74 000
5.9 - Sewerage	50 443	48 810	51 577	52 551	52 259	52 259	55 281	58 282	60 770
5.10 - Refuse	28 412	30 882	32 554	34 043	34 584	34 584	39 491	39 034	40 876
<b>Vote 6 - Economic and Social Development &amp; Tourism</b>	<b>10 226</b>	<b>8 905</b>	<b>10 220</b>	<b>10 076</b>	<b>9 995</b>	<b>9 995</b>	<b>11 752</b>	<b>10 439</b>	<b>10 873</b>
6.1 - Director: Economic Development & Planning	5 259	2 922	3 182	4 137	3 774	3 774	4 855	5 346	5 607
6.2 - Tourism	2 615	2 691	3 012	3 219	3 182	3 182	3 408	3 807	3 743
6.3 - Parking Services	2 352	2 074	2 092	420	740	740	8	5	5
6.4 - EPWP	-	1 219	1 934	2 300	2 300	2 300	1 926	-	-
6.5 - Social Development	-	-	-	-	-	-	1 456	1 482	1 518
<b>Vote 7 - Infrastructure &amp; Planning</b>	<b>339 813</b>	<b>356 481</b>	<b>411 814</b>	<b>407 638</b>	<b>421 918</b>	<b>421 918</b>	<b>456 531</b>	<b>513 013</b>	<b>523 213</b>
7.1 - Director: Infrastructure & Planning	2 285	2 348	2 427	2 652	2 711	2 711	2 664	2 784	2 912
7.2 - Deputy Director: Engineering Planning	7 662	32 384	47 283	51 524	52 004	52 004	58 036	60 127	62 431
7.3 - Engineering Services & Housing Development	1 906	13 969	19 296	21 024	29 982	29 982	27 947	55 468	39 199
7.4 - Town Planning	8 557	10 323	8 860	10 457	10 741	10 741	12 160	12 451	12 999
7.5 - Geographical Info System (GIS)	1 288	1 392	1 654	1 761	1 757	1 757	1 916	2 027	2 144
7.6 - Building Control Services	4 447	4 537	4 902	6 218	6 145	6 145	6 268	6 572	6 913
7.7 - Environmental Management Services	5 662	4 756	5 402	6 014	5 934	5 934	8 540	9 157	9 438
7.8 - Electricity	229 494	261 042	285 447	282 729	286 923	286 923	311 641	330 811	350 956
7.9 - Solid Waste Planning & Solid Waste Disposal	66 394	13 779	23 984	22 719	23 199	23 199	26 728	30 361	32 788
7.10 - Property Administration	12 118	11 950	12 559	2 539	2 523	2 523	2 630	3 256	3 431
<b>Vote 8 - Protection Services</b>	<b>52 938</b>	<b>55 942</b>	<b>80 844</b>	<b>80 782</b>	<b>81 073</b>	<b>81 073</b>	<b>86 511</b>	<b>92 832</b>	<b>93 183</b>
8.1 - Director: Protection Services	1 729	2 049	2 061	2 233	2 299	2 299	2 414	2 547	2 689
8.2 - Traffic	25 892	28 030	49 983	46 878	45 562	45 562	47 202	48 600	49 854
8.3 - Law Enforcement	11 558	11 254	12 938	11 372	10 406	10 406	12 690	14 327	14 243
8.4 - Vehicle testing	396	370	330	369	395	395	416	506	460
8.5 - Fire Brigade	12 654	13 354	14 310	18 353	20 840	20 840	18 000	20 712	19 446
8.6 - Vehicle Licensing	709	884	935	1 042	985	985	1 104	1 164	1 228
8.7 - Special Task Team Unit	-	-	288	260	310	310	275	298	301
8.8 - Disaster Management	-	-	-	275	275	275	298	316	334
8.9 - Security Services	-	-	-	-	-	-	4 113	4 363	4 628
<b>Total Expenditure by Vote</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



WC032 Overstrand - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue By Source</b>									
Property rates	152 607	164 486	197 047	212 784	214 752	214 752	234 998	249 098	264 044
Service charges - electricity revenue	287 754	324 599	355 454	339 249	339 270	339 270	362 784	384 507	407 545
Service charges - water revenue	108 318	114 179	123 064	114 494	117 120	117 120	116 781	123 754	131 147
Service charges - sanitation revenue	68 581	72 651	79 177	67 869	72 870	72 870	73 164	77 554	82 207
Service charges - refuse revenue	56 770	61 689	66 215	55 388	56 888	56 888	60 990	64 649	68 528
Service charges - other	-	-	667	647	-	-	-	-	-
Rental of facilities and equipment	9 253	9 915	11 394	4 933	4 933	4 933	3 679	3 897	4 128
Interest earned - external investments	8 144	12 209	20 347	13 962	19 462	19 462	21 001	21 001	21 001
Interest earned - outstanding debtors	2 279	2 735	2 671	3 203	3 201	3 201	3 700	3 922	4 157
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	19 357	21 682	36 521	33 260	33 261	33 261	34 965	37 060	39 281
Licences and permits	1 972	2 423	2 525	2 374	2 374	2 374	2 447	2 593	2 749
Agency services	2 790	3 211	3 480	3 419	3 419	3 419	3 726	3 970	4 187
Transfers and subsidies	60 473	103 629	114 411	113 688	129 217	129 217	130 566	167 058	162 087
Other revenue	22 331	29 653	33 908	27 946	27 052	27 052	31 427	33 105	34 884
Gains on disposal of PPE	3 956	7 631	6 242	-	23 823	23 823	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>804 584</b>	<b>930 691</b>	<b>1 053 123</b>	<b>993 217</b>	<b>1 047 640</b>	<b>1 047 640</b>	<b>1 080 228</b>	<b>1 172 169</b>	<b>1 225 944</b>
<b>Expenditure By Type</b>									
Employee related costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Remuneration of councillors	8 104	8 566	9 265	10 053	10 253	10 253	10 972	11 518	12 091
Debt impairment	7 693	13 785	22 005	22 792	22 792	22 792	23 492	23 492	23 492
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 899
Finance charges	43 447	46 207	45 913	47 440	47 440	47 440	47 834	50 433	52 064
Bulk purchases	167 660	194 620	217 523	211 447	216 447	216 447	238 588	255 610	273 856
Other materials	27 754	19 605	20 273	49 647	57 090	57 090	57 602	89 068	74 195
Contracted services	95 295	112 447	129 647	173 424	178 460	178 460	193 637	213 119	214 980
Transfers and subsidies	50 392	51 090	56 136	1 778	1 778	1 778	500	278	292
Other expenditure	131 401	93 542	104 414	57 710	58 486	58 486	64 232	69 133	70 574
Loss on disposal of PPE	0	392	8 133	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>924 126</b>	<b>937 727</b>	<b>1 047 691</b>	<b>1 037 801</b>	<b>1 052 197</b>	<b>1 052 197</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit)</b>	<b>(119 542)</b>	<b>(7 036)</b>	<b>5 432</b>	<b>(44 584)</b>	<b>(4 556)</b>	<b>(4 556)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	55 498	60 651	33 681	47 840	73 441	73 441	61 968	58 530	63 249
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (In-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(64 044)</b>	<b>53 616</b>	<b>39 114</b>	<b>3 256</b>	<b>68 885</b>	<b>68 885</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>



WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Capital expenditure - Vote</b>									
<b>Multi-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	2 658	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	89 992	17 900	53 713	45 963	56 953	56 953	64 797	69 210	-
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	15 839	8 501	30 496	14 000	10 710	10 710	58 239	39 770	55 213
Vote 8 - Protection Services	-	-	-	-	-	-	500	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>108 489</b>	<b>26 401</b>	<b>84 209</b>	<b>59 963</b>	<b>67 663</b>	<b>67 663</b>	<b>123 536</b>	<b>108 980</b>	<b>55 213</b>
<b>Single-year expenditure to be appropriated</b>									
Vote 1 - Council	-	-	-	-	-	-	20	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	1 413	3 848	72	1 640	1 290	1 290	4 086	-	-
Vote 4 - Finance	-	-	885	30	30	30	30	-	-
Vote 5 - Community Services	-	54 342	4 167	24 722	37 007	37 007	52 403	14 800	82 036
Vote 6 - Economic and Social Development & Tourism	-	-	-	25	25	25	5 625	-	-
Vote 7 - Infrastructure & Planning	-	10 246	1 540	7 420	7 410	7 410	1 100	9 750	-
Vote 8 - Protection Services	-	295	996	3 848	3 195	3 195	7 436	500	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>1 413</b>	<b>68 732</b>	<b>7 659</b>	<b>37 685</b>	<b>48 956</b>	<b>48 956</b>	<b>70 701</b>	<b>25 050</b>	<b>82 036</b>
<b>Total Capital Expenditure - Vote</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Capital Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>11 973</b>	<b>4 809</b>	<b>957</b>	<b>2 705</b>	<b>2 355</b>	<b>2 355</b>	<b>6 331</b>	<b>20 000</b>	<b>20 000</b>
Executive and council	-	-	72	-	-	-	20	-	-
Finance and administration	11 973	4 809	885	2 705	2 355	2 355	6 311	20 000	20 000
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>39 184</b>	<b>32 729</b>	<b>14 135</b>	<b>26 908</b>	<b>50 209</b>	<b>50 209</b>	<b>57 710</b>	<b>38 480</b>	<b>37 813</b>
Community and social services	5 258	3 169	644	3 607	2 675	2 675	4 999	3 500	2 500
Sport and recreation	1 565	3 311	1 837	2 266	6 449	6 449	8 057	5 000	1 500
Public safety	-	264	996	3 848	3 195	3 195	9 186	500	-
Housing	32 361	25 985	10 658	17 186	37 890	37 890	35 467	29 480	33 813
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>6 300</b>	<b>13 226</b>	<b>13 279</b>	<b>7 460</b>	<b>13 996</b>	<b>13 996</b>	<b>18 821</b>	<b>4 000</b>	<b>2 000</b>
Planning and development	-	-	1 540	45	45	45	5 725	-	-
Road transport	6 300	13 226	11 739	7 415	13 951	13 951	13 096	4 000	2 000
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>52 444</b>	<b>44 369</b>	<b>63 498</b>	<b>60 575</b>	<b>50 060</b>	<b>50 060</b>	<b>111 375</b>	<b>71 550</b>	<b>77 436</b>
Energy sources	13 682	18 237	30 496	19 790	16 520	16 520	24 772	20 040	21 400
Water management	16 275	14 232	15 772	9 300	4 037	4 037	30 077	32 072	32 075
Waste water management	13 221	11 875	17 217	29 875	27 923	27 923	54 987	19 438	23 961
Waste management	9 267	25	12	1 610	1 580	1 580	1 540	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
<b>Funded by:</b>									
National Government	22 884	31 647	25 530	26 330	26 330	26 330	25 901	29 050	29 436
Provincial Government	31 850	29 004	7 681	21 510	47 106	47 106	36 067	29 480	33 813
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	1 000	-	8 563	-	-	-	100	-	-
Transfers recognised - capital	55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
Public contributions & donations	607	743	1 440	-	-	-	-	-	-
Borrowing	39 012	27 189	35 550	30 000	23 200	23 200	68 650	54 000	54 000
Internally generated funds	14 550	6 549	13 104	19 808	19 983	19 983	63 519	21 500	20 000
<b>Total Capital Funding</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



WC032 Overstrand - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Capital expenditure - Municipal Vote</b>									
<b>Multi-year expenditure appropriation</b>									
<b>Vote 1 - Council</b>	-	-	-	-	-	-	-	-	-
1.1 - Council General									
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
<b>Vote 2 - Municipal Manager</b>	-	-	-	-	-	-	-	-	-
2.1 - Municipal Manager									
2.2 - Internal Audit									
<b>Vote 3 - Management Services</b>	2 658	-	-	-	-	-	-	-	-
3.1 - Director: Management Services									
3.2 - Communication									
3.3 - Legal Services									
3.4 - Strategic Services									
3.5 - Human Resources	2 658								
3.6 - Info & Communication Technology									
3.7 - Council Support Services									
3.8 - Social Development									
3.9 - Risk Management									
3.10 - Municipal Court									
<b>Vote 4 - Finance</b>	-	-	-	-	-	-	-	-	-
4.1 - Director: Finance									
4.2 - Deputy Director: Finance									
4.3 - Accounting Services									
4.4 - Expenditure & Asset Management									
4.5 - Revenue									
4.6 - Supply Chain Management									
4.7 - Data Control									
4.8 - Assessment Rates									
<b>Vote 5 - Community Services</b>	89 992	17 900	53 713	45 900	56 953	56 953	64 797	69 210	-
5.1 - Director & Administration	8 918		644	1 495	1 495	1 495	11 150	20 000	-
5.2 - Offices & Community Buildings								2 500	-
5.3 - Parks & Townlands, Cemeteries							500	1 000	-
5.4 - Libraries	1 961	3 031							-
5.5 - Sport & Recreation	1 690	3 314		300	300	300	4 017	2 500	-
5.6 - Housing & Social Upliftment	32 361		10 658	10 023	29 813	29 813			-
5.7 - Roads & Stormwater	7 621		11 739	10 800	10 800	10 800	10 034	4 038	-
5.8 - Water	16 275	10 594	15 772	8 510	3 247	3 247	22 700	21 772	-
5.9 - Sewerage	11 970	962	14 887	14 835	11 298	11 298	16 396	17 400	-
5.10 - Refuse	9 198		12						-
<b>Vote 6 - Economic and Social Development &amp; Tourism</b>	-	-	-	-	-	-	-	-	-
6.1 - Director: Economic Development & Planning									-
6.2 - Tourism									-
6.3 - Parking Services									-
6.4 - EPWP									-
6.5 - Social Development									-
<b>Vote 7 - Infrastructure &amp; Planning</b>	15 839	8 501	30 496	14 000	10 710	10 710	58 239	39 770	55 213
7.1 - Director: Infrastructure & Planning									-
7.2 - Deputy Director: Engineering Planning									-
7.3 - Engineering Services & Housing Development							35 467	29 480	33 813
7.4 - Town Planning									-
7.5 - Geographical Info System (GIS)									-
7.6 - Building Control Services									-
7.7 - Environmental Management Services		8 501							-
7.8 - Electricity	13 682		30 496	14 000	10 710	10 710	22 772	10 290	21 400
7.9 - Solid Waste Planning & Solid Waste Disposal									-
7.10 - Property Administration	2 157								-
<b>Vote 8 - Protection Services</b>	-	-	-	-	-	-	500	-	-
8.1 - Director: Protection Services									-
8.2 - Traffic									-
8.3 - Law Enforcement									-
8.4 - Vehicle testing									-
8.5 - Fire Brigade							500		-
8.6 - Vehicle Licensing									-
8.7 - Special Task Team Unit									-
8.8 - Disaster Management									-
8.9 - Security Services									-
<b>Capital multi-year expenditure sub-total</b>	<b>108 489</b>	<b>26 401</b>	<b>84 209</b>	<b>59 550</b>	<b>67 663</b>	<b>67 663</b>	<b>123 536</b>	<b>108 980</b>	<b>55 213</b>



<b>Capital expenditure - Municipal Vote</b>									
<b>Single-year expenditure appropriation</b>									
				<b>142</b>					
<b>Vote 1 - Council</b>	-	-	-		-	-	20	-	-
1.1 - Council General							20		
1.2 - Mayor's Office									
1.3 - Pensioners & Continued Members									
<b>Vote 2 - Municipal Manager</b>	-	-	-	-	-	-	-	-	-
2.1 - Municipal Manager									
2.2 - Internal Audit									
<b>Vote 3 - Management Services</b>	1 413	1 413	72	1 440	1 290	1 290	4 086	-	-
3.1 - Director: Management Services			72	20	20	20	20	-	-
3.2 - Communication									
3.3 - Legal Services									
3.4 - Strategic Services									
3.5 - Human Resources									
3.6 - Info & Communication Technology	1 413	3 848		1 620	1 270	1 270	4 066	-	-
3.7 - Council Support Services									
<b>3.8 - Social Development</b>									
<b>3.9 - Risk Management</b>									
3.10 - Municipal Court									
<b>Vote 4 - Finance</b>	-	-	885	30	30	30	30	-	-
4.1 - Director: Finance			885	30	30	30	30	-	-
4.2 - Deputy Director: Finance									
4.3 - Accounting Services									
4.4 - Expenditure & Asset Management									
4.5 - Revenue									
4.6 - Supply Chain Management									
4.7 - Data Control									
4.8 - Assessment Rates									
<b>Vote 5 - Community Services</b>	-	54 342	4 167	24 722	37 007	37 007	52 403	14 800	82 036
5.1 - Director & Administration		2 982		2 016	545	545	6 329	-	20 000
5.2 - Offices & Community Buildings							165	-	2 500
5.3 - Parks & Townlands, Cemeteries									
5.4 - Libraries				1 132	1 670	1 670			
5.5 - Sport & Recreation		6	1 837	1 966	6 149	6 149	2 500	-	1 500
5.6 - Housing & Social Up/llment		25 974		7 164	8 077	8 077			
5.7 - Roads & Stormwater		17 297	2 330	3 665	11 786	11 786	14 195	4 500	6 000
5.8 - Water		3 639		790	790	790	7 377	10 300	32 075
5.9 - Sewerage		4 432		7 990	7 990	7 990	21 838	-	19 961
5.10 - Refuse		13							
<b>Vote 6 - Economic and Social Development &amp; Tourism</b>	-	-	-	25	25	25	5 625	-	-
6.1 - Director: Economic Development & Planning				25	25	25	5 625	-	-
6.2 - Tourism									
6.3 - Parking Services									
6.4 - EPWP									
6.5 - Social Development									
<b>Vote 7 - Infrastructure &amp; Planning</b>	-	10 246	1 540	7 420	7 410	7 410	1 100	9 750	-
7.1 - Director: Infrastructure & Planning			1 540	20	20	20	100		
7.2 - Deputy Director: Engineering Planning									
7.3 - Engineering Services & Housing Development							1 000		
7.4 - Town Planning									
7.5 - Geographical Info System (GIS)									
7.6 - Building Control Services									
7.7 - Environmental Management Services									
7.8 - Electricity		9 734		5 790	5 810	5 810		9 750	
7.9 - Solid Waste Planning & Solid Waste Disposal				1 610	1 580	1 580			
7.10 - Property Administration		512							
<b>Vote 8 - Protection Services</b>	-	295	995	3 848	3 195	3 195	7 436	500	-
8.1 - Director: Protection Services		295					316		
8.2 - Traffic									
8.3 - Law Enforcement							641		
8.4 - Vehicle testing									
8.5 - Fire Brigade			995	3 848	3 195	3 195	6 480	500	
8.6 - Vehicle Licensing									
8.7 - Special Task Team Unit									
8.8 - Disaster Management									
8.9 - Security Services									
<b>Capital single-year expenditure sub-total</b>	<b>1 413</b>	<b>68 732</b>	<b>7 659</b>	<b>37 685</b>	<b>48 956</b>	<b>48 956</b>	<b>70 701</b>	<b>25 050</b>	<b>82 036</b>
<b>Total Capital Expenditure</b>	<b>109 902</b>	<b>95 133</b>	<b>81 060</b>	<b>97 046</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



WC032 Overstrand - Table A6 Budgeted Financial Position

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	78 935	73 518	89 087	214 936	382 460	382 460	380 242	391 251	389 188
Call investment deposits	26 051	101 263	170 727	-	-	-	-	-	-
Consumer debtors	53 289	57 820	60 453	72 588	72 588	72 588	78 188	85 488	86 255
Other debtors	51 677	46 519	46 423	49 874	49 874	49 874	49 845	55 895	65 615
Current portion of long-term receivables	15	14	12	10	10	10	10	7	3
Inventory	10 575	28 688	44 126	15 030	15 030	15 030	15 432	16 388	16 888
<b>Total current assets</b>	<b>220 542</b>	<b>307 820</b>	<b>410 829</b>	<b>352 438</b>	<b>519 961</b>	<b>519 961</b>	<b>523 717</b>	<b>549 028</b>	<b>557 949</b>
<b>Non current assets</b>									
Long-term receivables	53	40	27	20	20	20	10	4	1
Investments	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
Investment property	144 823	153 892	155 269	152 550	101 865	101 865	101 865	101 865	101 865
Investment in Associate									
Property plant and equipment	3 583 596	3 541 376	3 501 664	3 479 176	3 495 837	3 495 837	3 559 712	3 564 866	3 574 216
Agricultural									
Biological									
Intangible	5 506	6 713	6 287	5 942	5 942	5 942	5 942	5 942	5 942
Other non-current assets									
<b>Total non current assets</b>	<b>3 757 127</b>	<b>3 731 761</b>	<b>3 701 228</b>	<b>3 681 110</b>	<b>3 647 086</b>	<b>3 647 086</b>	<b>3 718 075</b>	<b>3 730 561</b>	<b>3 747 483</b>
<b>TOTAL ASSETS</b>	<b>3 977 669</b>	<b>4 039 581</b>	<b>4 112 057</b>	<b>4 033 548</b>	<b>4 167 047</b>	<b>4 167 047</b>	<b>4 241 792</b>	<b>4 279 589</b>	<b>4 305 432</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing	23 620	26 492	29 580	33 047	33 047	33 047	38 428	41 636	46 330
Consumer deposits	41 743	43 943	37 039	49 215	49 215	49 215	53 152	57 404	60 848
Trade and other payables	66 379	72 707	87 011	73 773	73 773	73 773	87 052	83 537	85 648
Provisions	23 939	26 444	28 343	30 432	30 432	30 432	36 518	38 710	34 193
<b>Total current liabilities</b>	<b>155 682</b>	<b>169 587</b>	<b>181 973</b>	<b>186 466</b>	<b>186 466</b>	<b>186 466</b>	<b>215 151</b>	<b>221 287</b>	<b>207 020</b>
<b>Non current liabilities</b>									
Borrowing	408 964	412 402	412 495	409 052	409 052	409 052	423 677	436 040	443 710
Provisions	193 227	199 265	217 138	229 153	229 153	229 153	249 777	265 881	266 547
<b>Total non current liabilities</b>	<b>602 191</b>	<b>611 666</b>	<b>629 633</b>	<b>638 205</b>	<b>638 205</b>	<b>638 205</b>	<b>673 454</b>	<b>701 922</b>	<b>710 257</b>
<b>TOTAL LIABILITIES</b>	<b>757 873</b>	<b>781 253</b>	<b>811 606</b>	<b>824 671</b>	<b>824 671</b>	<b>824 671</b>	<b>888 605</b>	<b>923 209</b>	<b>917 277</b>
<b>NET ASSETS</b>	<b>3 219 796</b>	<b>3 258 328</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 342 376</b>	<b>3 342 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	3 217 225	3 256 152	3 297 200	3 206 436	3 339 936	3 339 936	3 349 887	3 353 040	3 384 805
Reserves	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 219 796</b>	<b>3 258 328</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 342 376</b>	<b>3 342 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	152 186	162 962	195 733	211 275	213 247	213 247	233 454	247 086	263 832
Service charges	518 153	570 606	622 776	573 549	582 043	582 043	609 686	645 209	688 874
Other revenue	55 358	65 644	80 337	67 761	65 566	65 566	56 317	53 292	53 722
Government - operating	59 769	103 190	118 349	113 688	129 218	129 218	130 566	167 058	162 087
Government - capital	54 852	60 394	34 841	47 840	73 441	73 441	61 968	58 530	63 249
Interest	10 423	14 944	23 018	17 165	22 663	22 663	24 701	24 923	25 158
Dividends							-	-	-
<b>Payments</b>									
Suppliers and employees	(637 438)	(719 905)	(790 356)	(858 220)	(871 724)	(871 724)	(893 168)	(1 012 842)	(1 077 621)
Finance charges	(43 433)	(46 193)	(45 910)	(47 440)	(47 440)	(47 440)	(47 834)	(50 433)	(52 064)
Transfers and Grants	(50 392)	(51 090)	(56 136)	(1 778)	(1 778)	(1 778)	(500)	(278)	(292)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>119 478</b>	<b>160 551</b>	<b>182 651</b>	<b>123 839</b>	<b>165 237</b>	<b>165 237</b>	<b>175 190</b>	<b>132 544</b>	<b>126 946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	13 552	845	2 943	-	76 818	76 818	-	-	-
Decrease (Increase) in non-current debtors				-	-	-	-	-	-
Decrease (Increase) other non-current receivables	15	15	15	11	11	11	10	10	7
Decrease (Increase) in non-current investments	(4 980)	(4 980)	(4 980)	(6 019)	(6 019)	(6 019)	(7 124)	(7 339)	(7 575)
<b>Payments</b>									
Capital assets	(109 902)	(95 133)	(91 868)	(97 648)	(116 620)	(116 620)	(194 237)	(134 030)	(137 249)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(101 315)</b>	<b>(99 253)</b>	<b>(93 891)</b>	<b>(103 656)</b>	<b>(45 810)</b>	<b>(45 810)</b>	<b>(201 351)</b>	<b>(141 359)</b>	<b>(144 817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							-	-	-
Borrowing long term/refinancing	40 000	50 000	30 000	30 000	30 000	30 000	54 000	54 000	54 000
Increase (decrease) in consumer deposits	3 983	2 200	(6 904)	2 786	2 786	2 786	3 937	4 252	3 444
<b>Payments</b>									
Repayment of borrowing	(20 317)	(23 704)	(26 822)	(29 976)	(29 568)	(29 568)	(33 993)	(38 428)	(41 636)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>23 666</b>	<b>8 496</b>	<b>(3 727)</b>	<b>2 810</b>	<b>3 218</b>	<b>3 218</b>	<b>23 944</b>	<b>19 824</b>	<b>15 808</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>41 828</b>	<b>69 794</b>	<b>85 033</b>	<b>22 992</b>	<b>122 645</b>	<b>122 645</b>	<b>(2 217)</b>	<b>11 009</b>	<b>(2 083)</b>
Cash/cash equivalents at the year begin.	63 158	104 987	174 780	191 944	259 814	259 814	382 480	380 242	391 251
Cash/cash equivalents at the year end	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 168



WC032 Overstrand - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 188
Other current investments > 90 days	-	-	-	-	-	-	(0)	(0)	0
Non current assets - Investments	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
<b>Cash and investments available:</b>	<b>128 136</b>	<b>204 521</b>	<b>297 796</b>	<b>258 358</b>	<b>425 881</b>	<b>425 881</b>	<b>430 789</b>	<b>449 137</b>	<b>454 648</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 076	1 380	6 476	-	-	-	-	-	-
Unspent borrowing	2 800	-	-	-	10 450	14 650	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(39 810)	(32 015)	(24 811)	(46 872)	(46 710)	(46 710)	(36 964)	(52 314)	(80 918)
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	23 149	29 740	37 982	43 422	43 422	43 422	50 546	57 885	65 460
Reserves to be backed by cash/investments	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
<b>Total Application of cash and investments:</b>	<b>(9 214)</b>	<b>1 281</b>	<b>27 698</b>	<b>(1 010)</b>	<b>9 602</b>	<b>13 802</b>	<b>16 883</b>	<b>8 912</b>	<b>(12 108)</b>
<b>Surplus(shortfall)</b>	<b>137 349</b>	<b>203 239</b>	<b>274 898</b>	<b>259 368</b>	<b>416 279</b>	<b>412 079</b>	<b>413 906</b>	<b>440 225</b>	<b>466 755</b>





Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>77 176</b>	<b>79 249</b>	<b>87 889</b>	<b>54 528</b>	<b>78 867</b>	<b>78 867</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>
Roads Infrastructure	1 320	16 352	2 260	5 155	11 691	11 691	12 506	4 000	2 000
Storm water Infrastructure	-	-	-	250	280	280	11 723	2 038	4 000
Electrical Infrastructure	10 581	18 237	30 408	18 790	15 520	15 520	22 772	20 040	21 400
Water Supply Infrastructure	470	3 772	5 276	3 900	637	637	30 077	32 072	32 075
Sanitation Infrastructure	8 833	6 217	5 718	-	-	-	34 973	17 400	19 961
Solid Waste Infrastructure	42 473	25	8 930	110	110	110	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>63 679</b>	<b>44 691</b>	<b>52 681</b>	<b>28 205</b>	<b>28 238</b>	<b>28 238</b>	<b>112 050</b>	<b>75 550</b>	<b>79 436</b>
Community Facilities	5 258	29 837	2 212	4 579	3 380	3 380	16 380	4 000	2 500
Sport and Recreation Facilities	-	-	-	1 966	6 449	6 449	7 657	5 000	1 500
<b>Community Assets</b>	<b>5 258</b>	<b>29 837</b>	<b>2 212</b>	<b>6 545</b>	<b>9 829</b>	<b>9 829</b>	<b>24 037</b>	<b>9 000</b>	<b>4 000</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	8 239	1 800	2 497	-	-	-	1 421	-	-
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
<b>Other Assets</b>	<b>8 239</b>	<b>4 809</b>	<b>2 497</b>	<b>17 186</b>	<b>37 890</b>	<b>37 890</b>	<b>36 888</b>	<b>29 480</b>	<b>33 813</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	1 620	1 620	1 620	4 136	-	-
Furniture and Office Equipment	-	-	-	120	120	120	216	-	-
Machinery and Equipment	-	-	-	-	570	570	1 566	-	-
Transport Assets	-	-	-	950	600	600	15 345	20 000	20 000
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>32 727</b>	<b>15 704</b>	<b>34 470</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
Roads Infrastructure	6 300	-	11 809	2 080	2 080	2 080	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	3 100	-	-	1 000	1 000	1 000	-	-	-
Water Supply Infrastructure	15 805	10 460	10 496	900	900	900	-	-	-
Sanitation Infrastructure	3 067	2 531	9 169	1 500	2 263	2 263	-	-	-
Solid Waste Infrastructure	2 869	-	1 740	1 500	1 470	1 470	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>31 161</b>	<b>12 992</b>	<b>33 214</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities	1 565	2 893	1 265	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>1 565</b>	<b>2 893</b>	<b>1 265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-



<b>Total Upgrading of Existing Assets</b>	-	-	<b>147</b>	<b>31 742</b>	<b>30 040</b>	<b>30 040</b>	-	-	-
Roads Infrastructure	-	-	-	180	180	180	-	-	-
Storm water Infrastructure	-	-	-	6 800	8 355	8 355	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	4 500	2 500	2 500	-	-	-
Sanitation Infrastructure	-	-	-	17 025	17 025	17 025	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	-	-	-	<b>28 505</b>	<b>28 060</b>	<b>28 060</b>	-	-	-
Community Facilities	-	-	-	2 877	1 920	1 920	-	-	-
Sport and Recreation Facilities	-	-	-	300	-	-	-	-	-
<b>Community Assets</b>	-	-	-	<b>3 177</b>	<b>1 920</b>	<b>1 920</b>	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	60	60	60	-	-	-
Housing	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	-	-	-	<b>60</b>	<b>60</b>	<b>60</b>	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	-	-	-	-	-	-	-	-	-
Roads Infrastructure	7 621	16 352	14 069	7 415	13 951	13 951	12 506	4 000	2 000
Storm water Infrastructure	-	-	-	7 050	8 635	8 635	11 723	2 038	4 000
Electrical Infrastructure	13 682	18 237	30 496	19 790	16 520	16 520	22 772	20 040	21 400
Water Supply Infrastructure	16 275	14 232	15 772	9 300	4 037	4 037	30 077	32 072	32 075
Sanitation Infrastructure	11 901	8 748	14 887	22 825	19 288	19 288	34 973	17 400	19 961
Solid Waste Infrastructure	45 362	25	10 870	1 610	1 580	1 580	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>91 840</b>	<b>57 595</b>	<b>85 895</b>	<b>67 990</b>	<b>64 011</b>	<b>64 011</b>	<b>112 050</b>	<b>75 550</b>	<b>79 436</b>
Community Facilities	6 823	32 729	3 477	7 455	5 300	5 300	16 380	4 000	2 500
Sport and Recreation Facilities	-	-	-	2 266	6 449	6 449	7 657	5 000	1 500
<b>Community Assets</b>	<b>6 823</b>	<b>32 729</b>	<b>3 477</b>	<b>9 721</b>	<b>11 749</b>	<b>11 749</b>	<b>24 037</b>	<b>9 000</b>	<b>4 000</b>
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	8 239	1 800	2 497	60	60	60	1 421	-	-
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
<b>Other Assets</b>	<b>8 239</b>	<b>1 800</b>	<b>2 497</b>	<b>17 246</b>	<b>37 950</b>	<b>37 950</b>	<b>36 888</b>	<b>29 480</b>	<b>33 813</b>
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	1 620	1 620	1 620	4 138	-	-
Furniture and Office Equipment	-	-	-	120	120	120	215	-	-
Machinery and Equipment	-	-	-	-	570	570	1 568	-	-
Transport Assets	-	-	-	950	600	600	15 345	20 000	20 000
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>109 902</b>	<b>95 133</b>	<b>91 868</b>	<b>97 648</b>	<b>116 620</b>	<b>116 620</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>



<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Roads Infrastructure	1 268 078	1 267 105	1 239 685	1 217 699	1 225 820	1 225 820	1 211 279	1 178 550	1 146 171
Storm water Infrastructure									
Electrical Infrastructure	538 590	533 176	534 751	528 140	524 870	524 870	522 493	517 384	513 635
Water Supply Infrastructure	527 212	518 431	505 838	498 213	489 020	489 020	491 635	496 264	501 086
Sanitation Infrastructure	379 316	378 863	376 119	368 400	380 763	380 763	399 436	400 426	404 044
Solid Waste Infrastructure	43 182	43 182	35 559	31 962	31 932	31 932	27 169	24 941	22 763
Rail Infrastructure									
Coastal Infrastructure									
Information and Communication Infrastructure									
<b>Infrastructure</b>	<b>2 756 378</b>	<b>2 727 341</b>	<b>2 691 953</b>	<b>2 656 384</b>	<b>2 652 405</b>	<b>2 652 405</b>	<b>2 652 012</b>	<b>2 617 566</b>	<b>2 587 699</b>
Community Facilities									
Sport and Recreation Facilities									
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Heritage Assets</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>	<b>124 182</b>
Revenue Generating									
Non-revenue Generating	144 823	144 823	156 269	152 550	101 865	101 865	101 865	101 865	101 865
<b>Investment properties</b>	<b>144 823</b>	<b>153 892</b>	<b>156 269</b>	<b>162 550</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>	<b>101 865</b>
Operational Buildings	636 129	628 734	628 854	681 424	682 274	682 274	637 208	634 181	626 143
Housing				17 186	36 977	36 977	72 444	101 924	135 137
<b>Other Assets</b>	<b>636 129</b>	<b>628 734</b>	<b>628 854</b>	<b>698 610</b>	<b>719 251</b>	<b>719 251</b>	<b>709 652</b>	<b>736 105</b>	<b>781 880</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes									
Licences and Rights	5 506	6 713	6 287	5 942	5 942	5 942	5 942	5 942	5 942
<b>Intangible Assets</b>	<b>5 506</b>	<b>6 713</b>	<b>6 287</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>	<b>5 942</b>
<b>Computer Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>	<b>13 439</b>	<b>11 794</b>	<b>10 700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 265</b>	<b>8 948</b>	<b>6 695</b>
<b>Machinery and Equipment</b>	<b>4 878</b>	<b>5 518</b>	<b>5 703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 778</b>	<b>3 993</b>	<b>2 398</b>
<b>Transport Assets</b>	<b>48 591</b>	<b>45 807</b>	<b>44 204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58 822</b>	<b>74 072</b>	<b>91 362</b>
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>3 733 924</b>	<b>3 701 981</b>	<b>3 663 220</b>	<b>3 637 668</b>	<b>3 603 644</b>	<b>3 603 644</b>	<b>3 687 519</b>	<b>3 672 673</b>	<b>3 682 023</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<b>Depreciation</b>	<b>122 559</b>	<b>122 909</b>	<b>132 463</b>	<b>130 287</b>	<b>130 287</b>	<b>130 287</b>	<b>130 362</b>	<b>128 876</b>	<b>127 899</b>
<b>Repairs and Maintenance by Asset Class</b>	<b>158 026</b>	<b>109 377</b>	<b>120 705</b>	<b>169 284</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>262 118</b>
Roads Infrastructure	60 328	45 521	55 545	64 747	64 747	64 747	63 374	66 506	69 038
Storm water Infrastructure	5 398	5 260	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Electrical Infrastructure	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 098	26 511
Water Supply Infrastructure	26 811	18 056	16 489	17 549	17 549	17 549	19 104	20 599	21 717
Sanitation Infrastructure	16 060	11 512	11 672	16 500	16 525	16 525	13 642	14 533	15 378
Solid Waste Infrastructure	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>	<b>136 009</b>	<b>99 836</b>	<b>110 392</b>	<b>132 746</b>	<b>139 160</b>	<b>139 160</b>	<b>149 690</b>	<b>161 198</b>	<b>170 275</b>
Community Facilities	6 601	-	4 867	5 895	7 327	7 327	27 714	29 669	31 232
Sport and Recreation Facilities	737	-	-	4 654	6 471	6 471	13 304	13 956	14 468
<b>Community Assets</b>	<b>7 338</b>	<b>-</b>	<b>4 867</b>	<b>10 549</b>	<b>13 798</b>	<b>13 798</b>	<b>41 017</b>	<b>43 625</b>	<b>45 700</b>
<b>Heritage Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Housing	177	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>10 287</b>	<b>9 541</b>	<b>-</b>	<b>6 942</b>	<b>9 202</b>	<b>9 202</b>	<b>12 497</b>	<b>11 283</b>	<b>11 869</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>4 392</b>	<b>-</b>	<b>5 536</b>	<b>5 384</b>	<b>5 787</b>	<b>5 787</b>	<b>5 387</b>	<b>5 937</b>	<b>5 964</b>
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 663</b>	<b>23 288</b>	<b>23 288</b>	<b>16 622</b>	<b>17 488</b>	<b>18 310</b>
<b>Machinery and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>200 000</b>	<b>232 287</b>	<b>253 258</b>	<b>299 570</b>	<b>321 521</b>	<b>321 521</b>	<b>355 575</b>	<b>368 386</b>	<b>380 017</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>	<b>29.8%</b>	<b>16.7%</b>	<b>37.5%</b>	<b>44.1%</b>	<b>32.4%</b>	<b>32.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>	<b>26.7%</b>	<b>12.9%</b>	<b>33.0%</b>	<b>33.0%</b>	<b>29.0%</b>	<b>29.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>R&amp;M as a % of PPE</b>	<b>4.4%</b>	<b>3.1%</b>	<b>3.4%</b>	<b>4.9%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>7.1%</b>
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>	<b>5.0%</b>	<b>3.0%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>7.0%</b>	<b>7.0%</b>



Description	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Household service targets</b>								
<b>Water:</b>								
Piped water inside dwelling	32 071	32 544	29 329	29 329	29 329	30 209	31 115	32 049
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	156	156
Using public tap (at least min service level)	3 144	3 106	2 817	2 817	2 817	2 817	2 661	2 661
Other water supply (at least min service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	35 215	35 650	32 146	32 146	32 146	33 026	33 932	34 866
Using public tap (< min service level)	-	-	-	-	-	-	-	-
Other water supply (< min service level)	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
<b>Total number of households</b>	37 518	37 518	32 146	32 146	32 146	33 026	33 932	34 866
<b>Sanitation/sewerage:</b>								
Flush toilet (connected to sewerage)	31 202	28 841	28 841	28 841	28 841	29 706	30 597	31 515
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	31 202	28 841	28 841	28 841	28 841	29 706	30 597	31 515
Bucket toilet	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
<b>Total number of households</b>	31 202	28 841	28 841	28 841	28 841	29 706	30 597	31 515
<b>Energy:</b>								
Electricity (at least min service level)	6 625	6 565	5 653	5 653	5 653	6 370	5 102	4 834
Electricity - prepaid (min service level)	18 379	17 810	20 935	20 935	20 935	22 191	23 622	24 853
<i>Minimum Service Level and Above sub-total</i>	25 004	24 375	26 588	26 588	26 588	27 561	28 624	29 687
Electricity (< min service level)	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)	1 000	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	1 000	-	-	-	-	-	-	-
<b>Total number of households</b>	26 004	24 375	26 588	26 588	26 588	27 561	28 624	29 687
<b>Refuse:</b>								
Removed at least once a week	32 697	31 132	32 029	32 029	32 029	32 990	33 980	34 999
<i>Minimum Service Level and Above sub-total</i>	32 697	31 132	32 029	32 029	32 029	32 990	33 980	34 999
Removed less frequently than once a week	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
<b>Total number of households</b>	32 697	31 132	32 029	32 029	32 029	32 990	33 980	34 999
<b>Household expenditure from basic services:</b>								
Water (6 kilolitres per household per month)	6 923	7 297	7 500	7 500	7 500	7 400	8 261	9 907
Sanitation (free minimum level service)	6 923	7 297	7 500	7 500	7 500	7 400	8 261	9 907
Electricity/other energy (50kwh per household per month)	6 923	7 297	7 500	7 500	7 500	7 400	8 261	9 907
Refuse (removed at least once a week)	6 923	7 297	7 500	7 500	7 500	7 400	8 261	9 907
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>								
Water (6 kilolitres per indigent household per month)	1 240	1 320	1 060	1 060	1 060	14 612	18 880	21 399
Sanitation (free sanitation service to indigent households)	-	-	10 776	10 776	10 776	15 697	19 134	21 399
Electricity/other energy (50kwh per indigent household per month)	2 822	2 216	27 867	27 867	27 867	33 723	38 958	48 386
Refuse (removed once a week for indigent households)	-	-	13 954	13 954	13 954	15 223	17 686	22 233
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>								
<b>Total cost of FBS provided</b>	4 062	3 535	5 174	5 174	5 174	79 258	91 657	110 088
<b>Highest level of free service provided per household</b>								
Property rates (R value threshold)	100 000	220 000	220 000	220 000	220 000	220 000	220 000	220 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	61	65	69	73	73	73	82	87
Electricity (kwh per household per month)	100	50	50	50	50	50	50	50
Refuse (average litres per week)	210	210	210	210	210	210	210	210
<b>Revenue cost of subsidised services provided (R'000)</b>								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	1 786	1 947	2 135	-	-	-	-	-
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	36 411	39 791	48 431	51 711	51 711	51 711	50 983	54 042
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	2 276	2 276	2 276	779	849
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	271	271	271	318	346
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	1 657	1 657	1 657	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	858	858	858	-	-
Municipal Housing rental rebates	-	-	-	-	-	-	-	-
Housing top structure subsidies	-	-	-	33 727	29 916	29 916	59 100	81 140
Other	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	38 197	41 738	50 566	90 499	86 688	86 688	111 180	135 378



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	189 017	204 277	245 478	264 495	266 462	266 462	285 982	303 141	321 329
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	36 411	39 791	48 431	51 711	51 711	51 711	50 983	54 042	57 285
Net Property Rates	152 607	164 486	197 047	212 784	214 752	214 752	234 998	249 098	264 044
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	290 576	326 815	311 107	368 773	368 794	368 794	396 507	423 465	456 931
less Revenue Foregone (in excess of 50 kwh per indigent household per month)				1 657	1 657	1 657			
less Cost of Free Basis Services (50 kwh per indigent household per month)	2 822	2 215	3 448	27 867	27 867	27 867	33 723	38 958	49 386
Net Service charges - electricity revenue	287 754	324 599	307 659	339 249	339 270	339 270	362 784	384 507	407 545
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	109 557	115 499	124 700	127 831	130 456	130 456	132 172	141 484	153 561
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)				2 276	2 276	2 276	779	849	1 015
less Cost of Free Basis Services (6 kilolitres per indigent household per month)	1 240	1 320	1 726	11 060	11 060	11 060	14 612	16 880	21 399
Net Service charges - water revenue	108 318	114 179	123 064	114 494	117 120	117 120	116 781	123 754	131 147
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	68 581	72 651	79 177	78 917	83 917	83 917	89 179	96 034	105 609
less Revenue Foregone (in excess of free sanitation service to indigent households)				271	271	271	318	346	414
less Cost of Free Basis Services (free sanitation service to indigent households)				10 776	10 776	10 776	15 697	18 134	22 988
Net Service charges - sanitation revenue	68 581	72 651	79 177	67 869	72 870	72 870	73 164	77 554	82 207
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	56 770	61 689	66 215	70 200	71 700	71 700	76 212	82 234	90 821
Total landfill revenue									
less Revenue Foregone (in excess of one removal a week to indigent households)				858	858	858			
less Cost of Free Basis Services (removed once a week to indigent households)				13 954	13 954	13 954	15 223	17 586	22 283
Net Service charges - refuse revenue	56 770	61 689	66 215	55 388	56 888	56 888	60 980	64 649	68 528
<b>Other Revenue by source</b>									
Building Plan Approval	4 893	8 057	7 382	7 367	7 367	7 367	8 668	9 188	9 739
Camping Fees				6 106	6 106	6 106	6 473	6 861	7 273
Gains				3 000	3 000	3 000	2 000	2 000	2 000
Collection Charges	3 506	2 811	2 889	2 703	2 703	2 703	3 800	4 028	4 270
Development Charges	2 652	7 486	3 710	2 059	2 059	2 059	2 475	2 579	3 688
Parking Fees				1 706	706	706	420	427	435
Management Fees				1 025	1 025	1 025	976	1 034	1 096
Registration Fees				657	657	657	697	738	783
Clearance Certificates	459	484	594	594	594	594	500	530	562
Fire Services				530	530	530	1 000	1 060	1 124
Administrative Handling Fees				490	491	491	250	265	281
OTHER	10 822	10 814	19 333	1 709	1 813	1 813	4 169	4 395	3 634
Total 'Other' Revenue	22 331	29 653	33 008	27 946	27 052	27 052	31 427	33 105	34 884
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	177 732	183 952	199 704	214 753	210 022	210 022	236 060	248 909	262 960
Pension and UIF Contributions	27 068	29 587	33 606	35 806	35 564	35 564	39 574	42 181	44 594
Medical Aid Contributions	9 363	9 829	10 523	12 625	12 433	12 433	13 679	14 243	14 677
Overtime	14 765	15 732	15 610	15 622	16 076	16 076	23 606	24 999	26 473
Performance Bonus							210	220	230
Motor Vehicle Allowance	9 634	7 222	7 602	8 213	8 213	8 213	8 203	8 295	8 299
Cellphone Allowance	1 750	1 582	1 643	1 649	1 624	1 624	2 243	2 368	2 477
Housing Allowances	944	4 606	5 064	5 405	5 340	5 340	2 542	2 542	2 542
Other benefits and allowances	10 957	11 569	12 362	29 993	27 235	27 235	26 983	28 446	29 884
Payments in lieu of leave	1 414	1 815	1 385	765	965	965	1 062	1 168	1 285
Long service awards	1 816	2 200	1 836	669	1 769	1 769	1 946	2 140	2 354
Post retirement benefit obligations	14 378	6 381	12 385	7 724	9 924	9 924	10 916	12 008	13 209
sub-total	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
Less Employees costs capitalised to PPE									
Total Employee related costs	269 820	274 564	301 919	333 225	329 165	329 165	367 024	387 518	408 985
<b>Contributions recognised - capital</b>									
List contributions by contract									
Total Contributions recognised - capital									



<b>Depreciation &amp; asset impairment</b>				<b>151</b>					
Depreciation of Property, Plant & Equipment	119 417	122 214	124 787	130 287	130 287	130 287	130 362	128 876	127 899
Lease amortisation	65								
Capital asset impairment	3 077	755	7 676						
Depreciation resulting from revaluation of PPE									
<b>Total Depreciation &amp; asset impairment</b>	<b>122 559</b>	<b>122 969</b>	<b>132 463</b>	<b>130 287</b>	<b>130 287</b>	<b>130 287</b>	<b>130 362</b>	<b>128 876</b>	<b>127 899</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	167 660	164 820	217 523	211 447	216 447	216 447	238 588	255 610	273 856
Water Bulk Purchases									
<b>Total bulk purchases</b>	<b>167 660</b>	<b>164 820</b>	<b>217 523</b>	<b>211 447</b>	<b>216 447</b>	<b>216 447</b>	<b>238 588</b>	<b>255 610</b>	<b>273 856</b>
<b>Transfers and grants</b>									
Cash transfers and grants	43 933	50 757	56 103	1 778	1 778	1 778	500	278	292
Non-cash transfers and grants	6 459	000	00	-	-	-	-	-	-
<b>Total transfers and grants</b>	<b>50 392</b>	<b>51 090</b>	<b>56 103</b>	<b>1 778</b>	<b>1 778</b>	<b>1 778</b>	<b>500</b>	<b>278</b>	<b>292</b>
<b>Contracted services</b>									
Sewerage Services		23 944	38 327	44 653	44 753	44 753	47 972	51 918	55 986
Maintenance of Unspecified Assets		16 105	21 797	35 513	35 743	35 743	40 038	40 003	42 034
Infrastructure and Planning		11 000	6 787	12 654	12 654	12 654	13 413	14 218	15 071
Maintenance of Buildings and Facilities		14 014	10 091	10 096	11 523	11 523	12 199	14 536	15 106
Business and Advisory		2 313	581	7 485	7 541	7 541	1 641	1 697	1 475
Haulage		5 021	6 193	7 410	7 410	7 410	7 855	8 328	8 826
Litter Picking and Street Cleaning		6 652	5 451	6 905	6 905	6 905	7 370	7 759	8 225
Mini Dumping Sites		2 494	5 035	6 200	6 200	6 200	8 342	10 752	11 878
Legal Cost		5 477	3 832	6 193	6 193	6 193	3 189	3 333	3 417
Security Services		4 349	6 897	5 688	6 688	6 688	7 089	7 514	7 965
Traffic Fines Management		2 130	3 434	4 168	4 168	4 168	4 419	4 684	4 838
Safeguard and Security		4 990	5 778	4 012	4 012	4 012	5 639	5 974	6 328
Chipping		2 301	2 742	2 893	2 893	2 893	3 355	3 623	3 904
Meter Management		4 033	4 207	2 223	2 223	2 223	2 430	2 544	2 697
Maintenance of Equipment		2 474	000	2 116	1 816	1 816	2 258	2 517	2 482
Management of Informal Settlements				2 100	2 100	2 100	2 169	2 359	2 500
Laboratory Services		1 653	1 626	2 020	2 020	2 020	2 141	2 270	2 406
Clearing and Grass Cutting Services				1 656	1 656	1 656	1 803	3 039	2 344
Swimming Supervision				1 442	1 681	1 681	1 562	1 658	1 755
Refuse Removal				955	955	955	1 012	1 073	1 137
Event Promoters			575	808	808	808	632	657	678
Connection/Dis-connection			418	676	676	676	716	759	805
Fire Services			1 425	636	1 136	1 136	861	1 592	986
Building			269	626	626	626	664	704	746
Contractors				4 296	6 080	6 080	14 889	19 614	11 392
<b>sub-total</b>	<b>95 295</b>	<b>7 605</b>	<b>2 918</b>	<b>4 296</b>	<b>6 080</b>	<b>6 080</b>	<b>14 889</b>	<b>19 614</b>	<b>11 392</b>
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
<b>Total contracted services</b>	<b>95 295</b>	<b>112 447</b>	<b>129 647</b>	<b>173 424</b>	<b>178 460</b>	<b>178 460</b>	<b>193 637</b>	<b>213 119</b>	<b>214 980</b>
<b>Other Expenditure By Type</b>									
Collection costs									
Contributions to 'other' provisions									
Consultant fees									
Audit fees	3 886	4 277	4 015	4 800	4 800	4 800	5 088	5 241	5 398
General expenses	116 312	83 873	64 137	1 296	1 631	1 631	61	164	154
External Computer Service				6 930	6 477	6 477	8 962	10 858	9 243
Municipal Services				5 657	5 657	5 657	6 022	6 323	6 640
Commission	4 852	1 019	4 874	5 167	5 167	5 167	5 784	6 109	6 476
Communication			2 904	5 164	5 164	5 164	6 213	6 524	6 850
Professional Bodies, Membership and Subscription			3 067	3 171	3 171	3 171	3 639	3 821	4 012
Insurance Underwriting	2 457	2 000	2 816	3 031	3 031	3 031	3 400	3 570	3 749
Contribution to Provisions			5 546	2 676	3 376	3 376	3 714	4 085	4 494
Uniform and Protective Clothing			2 759	2 627	2 707	2 707	3 082	3 236	3 398
Advertising, Publicity and Marketing	1 620	2 284	2 072	2 584	2 584	2 584	2 712	2 848	2 990
Skills Development Fund Levy			2 422	2 433	2 748	2 748	2 941	3 088	3 243
OPERATING LEASES				1 816	1 810	1 810	1 365	1 433	1 505
Workmen's Compensation Fund				1 690	1 690	1 690	1 791	1 880	1 974
Bank Charges, Facility and Card Fees			1 340	1 377	1 377	1 377	1 446	1 519	1 594
Travel and Subsistence			1 120	1 103	1 193	1 193	1 265	1 329	1 395
Assets less than the Capitalisation Threshold			775	993	908	908	932	979	1 028
Vehicle Tracking				964	964	964	1 021	1 072	1 126
Bursaries (Employees)			000	941	941	941	1 301	1 366	1 435
Printing, Publications and Books	2 075		779	876	876	876	896	941	988
Levies Paid - Water Resource Management Charges			000	779	779	779	992	1 042	1 094
Remuneration to Ward Committees			001	649	649	649	688	722	758
Hire Charges			2 198	436	436	436	565	593	622
Wet Fuel				350	350	350	371	390	409
<b>Total 'Other' Expenditure</b>	<b>131 401</b>	<b>93 542</b>	<b>104 414</b>	<b>57 710</b>	<b>58 486</b>	<b>58 486</b>	<b>64 232</b>	<b>69 133</b>	<b>70 574</b>
<b>by Expenditure Item</b>									
Employee related costs	37 737	38 175	50 261	51 000	53 537	53 537	100 740	105 574	110 322
Other materials	9 317	14 541	15 500	34 624	25 013	25 013	16 024	18 865	19 866
Contracted Services	34 342	30 494	36 145	72 415	79 144	79 144	82 917	88 690	94 357
Other Expenditure	76 630	26 167	10 000	8 555	33 541	33 541	25 531	26 383	27 573
<b>Total Repairs and Maintenance Expenditure</b>	<b>158 026</b>	<b>109 377</b>	<b>120 795</b>	<b>166 294</b>	<b>191 235</b>	<b>191 235</b>	<b>225 212</b>	<b>239 512</b>	<b>252 118</b>



WC032 Overstrand - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - Council	Vote 2 - Municipal Manager	Vote 3 - Management Services	Vote 4 - Finance	Vote 5 - Community Services	Vote 6 - Economic and Social Development & Tourism	Vote 7 - Infrastructure & Planning	Vote 8 - Protection Services	Total
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates				234 998			362 724		234 998
Service charges - electricity revenue				60					362 784
Service charges - water revenue				550	116 231				116 781
Service charges - sanitation revenue					73 164			0	73 164
Service charges - refuse revenue					60 990		0		60 990
Service charges - other					3 679		0		-
Rental of facilities and equipment					-				3 679
Interest earned - external investments				21 001					21 001
Interest earned - outstanding debtors				3 700					3 700
Dividends received									-
Fines, penalties and forfeits					240		160	34 565	34 965
Licences and permits					476			1 971	2 447
Agency services								3 726	3 726
Other revenue	180	51	584	7 544	10 167	300	10 967	1 634	31 427
Transfers and subsidies	24 808			1 830	52 106	1 926	49 897		130 566
Gains on disposal of PPE									-
<b>Total Revenue (excluding capital transfers and contri</b>	<b>24 988</b>	<b>51</b>	<b>584</b>	<b>269 683</b>	<b>317 051</b>	<b>2 226</b>	<b>423 748</b>	<b>41 896</b>	<b>1 080 228</b>
<b>Expenditure By Type</b>									
Employee related costs	14 203	4 958	25 584	45 109	166 121	8 777	57 386	44 886	367 024
Remuneration of councillors	10 972								10 972
Debt impairment	3	6							23 492
Depreciation & asset impairment						13	25 406	246	130 362
Finance charges				122	102 408		16 802		47 834
Bulk purchases			2 159	93	30 940				238 588
Other materials	41	29	635	559	23 722	960	28 955	2 701	238 588
Contracted services	256	230	8 564	13 710	74 051	1 110	82 482	13 234	57 602
Transfers and subsidies	500								193 637
Other expenditure	7 073	245	15 835	19 053	12 273	891	6 912	1 951	500
Loss on disposal of PPE									64 232
<b>Total Expenditure</b>	<b>33 049</b>	<b>5 467</b>	<b>52 776</b>	<b>78 645</b>	<b>409 514</b>	<b>11 752</b>	<b>456 531</b>	<b>86 511</b>	<b>1 134 245</b>
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>(8 061)</b>	<b>(5 416)</b>	<b>(52 192)</b>	<b>191 038</b>	<b>(92 463)</b>	<b>(9 526)</b>	<b>(32 782)</b>	<b>(44 614)</b>	<b>(54 017)</b>
Transfers and subsidies - capital (monetary allocations) Regional / Provincial / District									
Transfers and subsidies - capital (monetary allocations) Local / Principal Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions					21 639		40 329		61 968
Transfers and subsidies - capital (in-kind - all)									-
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>(8 061)</b>	<b>(5 416)</b>	<b>(52 192)</b>	<b>191 038</b>	<b>(70 824)</b>	<b>(9 526)</b>	<b>7 547</b>	<b>(44 614)</b>	<b>7 951</b>

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>ASSETS</b>									
<b>Call investment deposits</b>									
Call deposits	26 051	101 263	170 727						
Other current investments									
<b>Total Call investment deposits</b>	<b>26 051</b>	<b>101 263</b>	<b>170 727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consumer debtors</b>									
Consumer debtors	70 260	76 918	81 046	91 588	91 588	91 588	99 188	106 788	107 855
Less: Provision for debt impairment	(16 972)	(19 098)	(20 593)	(19 000)	(19 000)	(19 000)	(21 000)	(21 300)	(21 600)
<b>Total Consumer debtors</b>	<b>53 288</b>	<b>57 820</b>	<b>60 453</b>	<b>72 588</b>	<b>72 588</b>	<b>72 588</b>	<b>78 188</b>	<b>85 488</b>	<b>86 255</b>
<b>Debt impairment provision</b>									
Balance at the beginning of the year	16 359	16 972	19 098	17 096	17 096	17 096	19 000	21 000	21 300
Contributions to the provision	1 252	2 785	2 601	2 404	2 404	2 404	2 500	800	800
Bad debts written off	(639)	(658)	(1 106)	(500)	(500)	(500)	(500)	(500)	(500)
<b>Balance at end of year</b>	<b>16 972</b>	<b>19 098</b>	<b>20 593</b>	<b>19 000</b>	<b>19 000</b>	<b>19 000</b>	<b>21 000</b>	<b>21 300</b>	<b>21 600</b>
<b>Property, plant and equipment (PPE)</b>									
PPE at cost/valuation (excl. finance leases)	5 385 400	5 459 595	5 534 384	5 660 234	5 676 895	5 676 895	5 871 132	6 005 162	6 142 411
Leases recognised as PPE									
Less: Accumulated depreciation	1 801 804	1 918 219	2 032 719	2 181 058	2 181 058	2 181 058	2 311 420	2 440 296	2 568 195
<b>Total Property, plant and equipment (PPE)</b>	<b>3 583 596</b>	<b>3 541 376</b>	<b>3 501 664</b>	<b>3 479 176</b>	<b>3 495 837</b>	<b>3 495 837</b>	<b>3 559 712</b>	<b>3 564 866</b>	<b>3 574 216</b>
<b>LIABILITIES</b>									
<b>Current liabilities - Borrowing</b>									
Short term loans (other than bank overdraft)	80	60							
Current portion of long-term liabilities	23 539	26 432	29 580	33 047	33 047	33 047	38 428	41 636	46 330
<b>Total Current liabilities - Borrowing</b>	<b>23 620</b>	<b>26 492</b>	<b>29 580</b>	<b>33 047</b>	<b>33 047</b>	<b>33 047</b>	<b>38 428</b>	<b>41 636</b>	<b>46 330</b>
<b>Trade and other payables</b>									
Trade and other creditors	64 303	71 328	80 535	73 773	73 773	73 773	87 052	83 537	85 648
Unspent conditional transfers	2 076	1 380	6 476						
VAT									
<b>Total Trade and other payables</b>	<b>66 379</b>	<b>72 707</b>	<b>87 011</b>	<b>73 773</b>	<b>73 773</b>	<b>73 773</b>	<b>87 052</b>	<b>83 537</b>	<b>85 648</b>
<b>Non current liabilities - Borrowing</b>									
Borrowing	408 964	412 402	412 495	409 052	409 052	409 052	423 677	436 040	443 710
Finance leases (including PPP asset element)									
<b>Total Non current liabilities - Borrowing</b>	<b>408 964</b>	<b>412 402</b>	<b>412 495</b>	<b>409 052</b>	<b>409 052</b>	<b>409 052</b>	<b>423 677</b>	<b>436 040</b>	<b>443 710</b>
<b>Provisions - non-current</b>									
Retirement benefits	107 290	110 245	122 588	129 943	129 943	129 943	141 638	152 969	154 499
List other major provision items									
Refuse landfill site rehabilitation	76 731	79 158	84 877	88 942	88 942	88 942	96 947	100 825	99 235
Other	9 207	9 861	9 673	10 268	10 268	10 268	11 192	12 087	12 813
<b>Total Provisions - non-current</b>	<b>193 227</b>	<b>199 265</b>	<b>217 138</b>	<b>229 153</b>	<b>229 153</b>	<b>229 153</b>	<b>249 777</b>	<b>265 881</b>	<b>266 547</b>
<b>CHANGES IN NET ASSETS</b>									
<b>Accumulated Surplus/(Deficit)</b>									
Accumulated Surplus/(Deficit) - opening balance	2 818 525	3 217 225	3 270 121	3 201 881	3 201 881	3 201 881	3 339 936	3 349 887	3 353 040
GRAP adjustments	461 430	(15 890)	(13 970)						
Restated balance	3 279 956	3 201 335	3 256 152	3 201 881	3 201 881	3 201 881	3 339 936	3 349 887	3 353 040
Surplus/(Deficit)	(64 044)	53 616	39 114	3 256	68 885	68 885	7 951	1 653	30 765
Appropriations to Reserves									
Transfers from Reserves	1 314	1 201	1 935	1 300	1 300	1 300	2 000	1 500	1 000
Depreciation offsets									
Other adjustments					67 870	67 870			
<b>Accumulated Surplus/(Deficit)</b>	<b>3 217 225</b>	<b>3 256 152</b>	<b>3 297 200</b>	<b>3 206 436</b>	<b>3 339 936</b>	<b>3 339 936</b>	<b>3 349 887</b>	<b>3 353 040</b>	<b>3 384 805</b>
<b>Reserves</b>									
Housing Development Fund	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 340	3 350
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
<b>Total Reserves</b>	<b>2 571</b>	<b>2 177</b>	<b>3 251</b>	<b>2 440</b>	<b>2 440</b>	<b>2 440</b>	<b>3 300</b>	<b>3 340</b>	<b>3 350</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 219 796</b>	<b>3 258 329</b>	<b>3 300 451</b>	<b>3 208 877</b>	<b>3 342 376</b>	<b>3 342 376</b>	<b>3 353 187</b>	<b>3 356 380</b>	<b>3 388 155</b>





WC032 Overstrand - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21		
R thousand													
The provision of democratic, accountable and ethical governance	Good Governance	1	280 413	334 121	315 623	262 309	293 947	293 947	296 029	312 713	330 858		
The provision and maintenance of municipal services	Basic Service Delivery	2	530 543	597 907	650 498	662 740	671 325	671 325	706 624	749 696	803 123		
The encouragement of structured community participation in the matters of the municipality	Good Governance	3											
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	31 198	37 676	54 775	59 370	93 932	93 932	81 447	110 586	96 321		
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	17 928	21 639	65 909	56 638	61 878	61 878	58 097	57 704	58 891		
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)			860 082	991 343	1 086 805	1 041 057	1 121 081	1 121 081	1 142 196	1 230 699	1 289 193		



WC032 Overstrand - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand												
The provision of democratic, accountable and ethical governance	Good Governance	1	293 362	324 575	251 838	208 841	211 213	211 213	221 763	239 027	244 029	
The provision and maintenance of municipal services	Basic Service Delivery	2	466 577	384 960	471 097	518 289	522 902	522 902	568 159	601 794	633 617	
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	1 443	1 835	1 793	2 951	1 742	1 742	1 270	1 400	1 600	
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4	52 938	71 285	102 799	113 495	123 693	123 693	144 344	180 047	166 393	
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	109 806	155 072	220 164	194 226	192 646	192 646	198 708	206 779	212 789	
Allocations to other priorities												
Total Expenditure			924 126	937 727	1 047 691	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428	

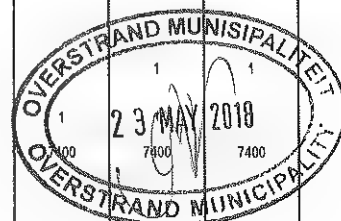


WC032 Overstrand - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

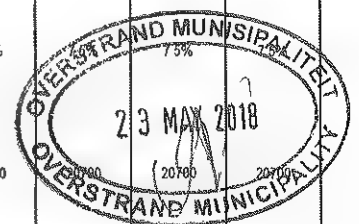
Strategic Objective	Goal	Goal Code	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year 2019/20	Budget Year +2 2020/21
R thousand											
The provision of democratic, accountable and ethical governance	Good Governance	1	2 526	4 929	957	2 705	2 355	2 355	6 331	20 000	20 000
The provision and maintenance of Basic Service Delivery municipal services	Basic Service Delivery	2	52 449	57 595	63 498	60 575	50 060	50 060	111 375	71 550	77 436
The encouragement of structured community participation in the matters of the municipality	Good Governance	3	5 580	6 480	3 729	3 458	3 491	3 491	5 250	5 230	5 230
The creation and maintenance of a safe and healthy environment	Safe and Healthy Environment	4		264	10 406	23 450	46 718	46 718	52 460	33 250	32 583
The promotion of tourism, economic and social development	Economic Development and Social upliftment	5	49 347	25 865	13 279	7 460	13 996	13 996	18 821	4 000	2 000
Allocations to other priorities											
Total Capital Expenditure			109 902	95 133	91 868	97 648	116 620	116 620	194 237	134 030	137 249



Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Vote 1 - vote name</b>										
<b>Council and Municipal Manager</b>										
<b>Municipal Manager</b>										
Percentage of a municipality's capital budget actually spent on capital projects identified for 2018/19 in terms of the municipality's IDP ((Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted on capital projects)X100)	% of capital budget spent	88.2%	92.0%	98.0%	95.0%		95.0%	95.0%	95.0%	95.0%
Sign section 56 performance agreements with all directors by the end of July 2018	Number of agreements signed	no kpi set	no kpi set	6	6		6	6	6	6
Monitor the implementation of the action plan developed to address all the issues raised in the management letter of the Auditor General and submit quarterly progress reports to Executive Mayor	Number of progress reports monitored and submitted to Executive Mayor	no kpi set	no kpi set	4	4		4	4	4	4
Bi-annual formal performance appraisals of the section 56 appointees for the previous financial period April to June 2018 to be completed by Sept 2018 and the current period October to December 2018 to be completed by February 2019.	Number of appraisals	no kpi set	no kpi set	12	12		12	12	12	12
Submit the final Annual report and oversight report of Council before 31 March 2019	Final Annual report and oversight report completed	no kpi set	no kpi set	1	1		1	1	1	1
Prepare the final IDP for submission to Council by the end of May 2019	Final IDP submitted	no kpi set	no kpi set	1	1		1	1	1	1
Draft the annual report and submit to the Auditor-General by the end of August 2018	Draft Annual report completed	no kpi set	no kpi set	1	1		1	1	1	1
Submit the Final MTREF budget by the end of May 2019	Budget submitted	no kpi set	no kpi set	1	1		1	1	1	1
<b>Management Services</b>										
<b>Director: Management Services</b>										
<b>Human Resources</b>										
92% of the approved and funded organogram filled ((actual number of posts filled divided by the funded posts budgeted) x100)	% filled	92.31%	92.8%	99.0%	92%		92.0%	92.0%	92.0%	92.0%
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	The number of people from EE target groups employed	60	62	63	60	65	65	66	66	66
The percentage of a municipality's budget (training budget) actually spent on implementing its workplace skills plan	% of the training budget spent on implementation of the WSP	100.0%	100.0%	99.5%	100%		100%	100.0%	100.0%	100.0%
Review the Municipal Organisational Staff Structure by the end of June 2018	Structure reviewed	1	1	1	1		1	1	1	1
<b>Corporate Support Services</b>										
Revise the Section 14 Access to Information Manual by the end of June 2018 to ensure compliant and up to date policies	Manual revised	1	1	1	1		1	1	1	1
<b>Risk Management</b>										
Submit progress reports on the revision of the top 10 risks as a corrective action to the Executive Management Team	Number of progress reports submitted	4	4	3	4		4	4	4	4
<b>Finance</b>										
<b>Director: Finance</b>										
<b>Director: Finance</b>										
Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved	3.72%	3.84	5.18%	1.5	3	3	3	3	3
Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year) (%)	Ratio achieved	17.13%	17.77%	20.09%	15.0%	12%	12.0%	12.0%	12.0%	12.0%
Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	% achieved	10.00%	10.34%	9.86%	12.2		12.2%	12.2%	12.2%	12.2%
Submit a reviewed long term financial plan by the end of October 2018	Submission of long term financial plan	1	1	1	1		1	1	1	1
Financial statements submitted to the Auditor General by 31 August 2018	Financial statements submitted	1	1	1	1		1	1	1	1
Provision of free basic electricity refuse removal, sanitation and water in terms of the equitable share requirements	Number of indigent households	6842	7512	7418	7500	7 300	7300	7400	7400	7400
Achieve a debt recovery rate not less than 96% (Receipts/total billed for 12 months period x 100)	% Recovered	97.73%	97.9%	99.44%	96%		96%	95%	96%	96%



Description	Unit of measurement	MID	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Community Services</b>										
<b>Director: Community Services</b>										
<b>Director: Community Services</b>										
98% of the operational conditional grant (Libraries, CDW) spent (Actual expenditure divided by the total grant received)	% of total conditional operational grants spent (Libraries, CDW)	100.0%	100.0%	86.07%	98%		98.0%	98.0%	98.0%	98.0%
m² of roads patched and ressealed	m² of roads patched and ressealed	100000	171881	135298	100000		100 000	100 000	100 000	100 000
m² of roads patched and ressealed according to approved Pavement Management System within available budget										
Limit unaccounted water to less than 20% ((Number of kiloliter water purified - Number of kiloliter water sold)/Number of kiloliter purified x 100)	% of water unaccounted for	19.33%	20.86%	19.14%	20%		20.0%	19.0%	19.0%	19.0%
Ward committee meetings held to facilitate consistent and regular communication with residents	No of ward committee meetings per ward per annum	8	8	9	8		8	8	8	8
Provision of water to informal households based on the standard of 1 water point to 25 households	The number of taps installed in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	138	138	252	119	252	252	239	239	239
Provision of cleaned piped water to all formal households within 200 m from households	No of formal households that meet agreed service standards for piped water	32544	32976	34449	33132	29 329	29329	30209	30209	30209
Provision of refuse removal, refuse dumps and solid waste disposal to all formal households at least once a week (A household is a residential unit being billed for the particular services rendered by way of the financial system (SAMRAS))	Number of formal households for which refuse is removed at least once a week	33224	31132	30000	31754	32 029	32029	32980	32980	32980
Provision of refuse removal, refuse dumps and solid waste disposal to all informal households at least once a week	Number of weekly removal of refuse in informal households (once per week = 52 weeks per annum)	3144	52	52	52		52	52	52	52
The provision of sanitation services to informal households based on the standard of 1 toilet to 5 households	The number of toilet structures provided in relation to the number of informal households Note: Unit of measurement & target revised in 2015/16 mid-year assessment	3144	724	794	593	794	794	770	770	770
Provision of sanitation services to formal residential households (A household is a residential unit being billed for the particular services rendered by way of the financial system (SAMRAS))	No of formal residential households which are billed for sewerage in accordance to the SAMRAS financial system	31719	28183	28841	32872	28 841	28841	28841	28841	28841
<b>Infrastructure &amp; Planning</b>										
<b>Director: Infrastructure and Planning</b>										
<b>Water Treatment</b>										
Quality of effluent comply 90% with license and/or general limit in terms of the Water Act (Act 36 of 1998)	% compliance	87.25%	87.25%	92.83%	90%		90.0%	90.0%	90.0%	90.0%
Quality of potable water comply 95% with SANS 241	% compliance with SANS 241	98.0%	99.0%	98.0%	95%		95.0%	95.0%	95.0%	95.0%
Report on the implementation of the Water Service Development plan annually by the end of October	Report submitted	1	1	1	1		1	1	1	1
<b>Electricity</b>										
Limit electricity losses to 7.5% or less ((Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100	% of electricity unaccounted for	6.34%	6.34%	7.37%	7.5%		7.5%	7.5%	7.5%	7.5%
Provision of Electricity Number of metered electrical connections in formal area (Eskom Areas excluded) (Definition: refers to residential households (RE) and pensioners (PR) as per the Finance department's billed households)	Number of formal household that meet agreed service standards	20467	20467	20400	20400		20400	20400	20400	20400
<b>MIG</b>										
100% of the Municipal Infrastructure Grant (MIG) spent by 30 June 2019 (Actual MIG expenditure/Allocation received)	% Expenditure of allocated funds	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%



Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Protection Services</b>										
<b>Director Protection Services</b>										
<b>Protection Services</b>										
Arrange public awareness sessions on Protection Services	Number of sessions held	88	58	88	90		90	90	90	90
Collect R15 000 000 Public Safety Income by 30 June 2019	R-value of public safety collected income (excluding fines unpaid amount)  (Note kpi & target reviewed in 2017/18 mid-year assessment)	R 15 000 000	R 34,949,821	R40,357,315	15,000,000	20,000,000	20,000,000	15000000	15000000	15000000
<b>Disaster and Fire Management</b>										
Annually review and submit Disaster Management Plan to the District by the end of October 2018	Reviewed plan submitted	1	1	1	1		1	1	1	1
Local Economic Development, Social Development & Tourism										
<b>Director: LED</b>										
<b>LED, Social development and Tourism</b>										
Provide three reports on LED, Social Development and Tourism initiatives to Council by end June 2019	Number of reports on LED, Social Development & Tourism initiatives	no kpi set	100.0%	100.0%	300.0%		300.0%	300.0%	300.0%	300.0%
Report to Executive Mayor on Grants to festival organisers through Service Level Agreements (SLA) by end July 2018	Number of reports submitted	no kpi set	1	1	1		1	1	1	1
Support 120 SMME's in terms of the SMME Development Programme by 30 June 2019	Number of SMME's supported	73	59	92	80		80	120	120	120
Support 50 Emerging Contractors in terms of the Emerging Contractor Development Programme by 30 June 2019	Number of emerging contractors supported	no kpi set	no kpi set	48	30		30	50	50	50
Solicit support of financial and non-financial assistance for local economic development initiatives  (KPI reworded for 2018/19)	Number of applications submitted (reworded for 2018/19)	4	4	1	6		6	10	10	10
Manager LED report quarterly to Director LED, Social Development & Tourism on linkages established with other spheres of government, agencies, donors, SALGA and other relevant bodies for benefit of local area/Stakeholder engagement and creation of partnerships to broaden economic benefit for local communities	Quarterly report on linkages established	4	1	4	4		4	4	4	4
The number of job opportunities created through the EPWP programme and as per set targets (grant agreement - FTE's, translates to 1000 work opportunities)	Number of temporary jobs created	512	564	828	500		500	1000	1000	1000
Monthly monitor the statistics on the usage of the LED Walk-in Centre (outreach & referral purposes) through the attendance registers	Monthly registers on LED outreach statistics (walk in centre)	no kpi set	12	12	12		12	12	12	12



		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
Description of financial indicator	Basis of calculation	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Borrowing Management</b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6.9%	7.5%	8.1%	7.5%	7.3%	7.3%	7.2%	7.2%	7.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.0%	8.5%	7.7%	8.8%	8.4%	8.4%	8.6%	8.6%	8.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	74.7%	88.9%	61.7%	60.2%	69.5%	69.5%	40.9%	71.5%	73.0%
<b>Safety of Capital</b>										
Gearing	Long Term Borrowing/ Funds & Reserves	150.0%	154.7%	100.7%	16762.6%	16762.6%	16762.6%	12838.7%	13055.1%	13245.1%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	1.4	1.1	2.3	1.9	2.8	2.8	2.4	2.5	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.1	2.3	1.9	2.8	2.8	2.4	2.5	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	1.0	1.4	1.2	2.1	2.1	1.8	1.8	1.9
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.5%	99.5%	99.8%	99.3%	99.3%	0.0%	90.3%	99.2%
Current Debtors Collection Rate (Cash receipts % of Ratespayer & Other revenue)		99.5%	99.6%	99.9%	99.3%	99.3%	99.3%	99.3%	98.2%	98.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.1%	11.2%	10.2%	12.3%	11.7%	11.7%	11.9%	12.1%	12.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%	97.2%
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	98.0%	98.0%	99.5%	98.0%	98.0%	98.0%	99.0%	99.0%	99.0%
Creditors to Cash and Investments		61.2%	40.8%	31.0%	34.3%	19.3%	19.3%	22.9%	21.4%	16.9%
<b>Other Indicators</b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	13272396	15046015	18113084	18734080	18734080	19420071	19375580	20038240	20722780
	Total Cost of Losses (Rand '000)	1	2	4	5	5	5	5	6	7
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kl)	1281	1428	1444	1440	1440	1453	1388	1388	1385
	Total Cost of Losses (Rand '000)	5010	5299	2210.719	5217	5217	5400	5700	6000	6300
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	19.88%	19.16%	18.61%
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.5%	29.5%	29.5%	33.6%	31.4%	31.4%	34.0%	33.1%	33.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.5%	30.4%	29.5%	34.6%	32.4%	32.4%	35.0%	34.0%	34.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	19.6%	11.8%	11.5%	17.0%	18.3%	18.3%	20.8%	20.4%	20.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.6%	18.2%	16.9%	17.9%	17.0%	17.0%	18.5%	15.3%	14.7%
<b>IDP regulation financial viability indicators</b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	19.3	16.6	19.9	16.8	16.8	16.8	15.0	15.0	15.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	15.4%	14.6%	14.6%	15.4%	15.2%	15.2%	15.0%	15.6%	15.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.6	2.7	3.5	2.9	5.1	5.1	4.7	4.4	4.3



Detail on the provision of municipal services for A10

Total municipal services		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	<b>Household services (liquid waste)</b>									
	<b>Rate:</b>									
	Piped water inside dwelling	32 071	32 544	34 449	29 339	29 339	29 339	30 200	31 115	32 040
	Piped water outside yard (but not in dwelling)									
	Using public tap (not in service level)	3 144	3 705	3 657	2 897	2 897	2 897	2 817	2 661	2 661
	Other water supply (not in service level)									
	Minimum Service Level and Above sub-total	35 215	36 250	37 936	32 146	32 146	32 146	33 016	33 776	34 701
	Using public tap (in service level)									
	Other water supply (in service level)									
	No water supply									
	<b>Below Minimum Service Level sub-total</b>									
	<b>Total number of households</b>	35 215	36 250	37 936	32 146	32 146	32 146	33 016	33 776	34 701
	<b>Refuse &amp; Sanitation</b>									
	Rubbish level (apportioned to sewerage)	31 292	28 183	28 841	29 841	28 841	28 841	28 706	30 097	31 511
	Rubbish level (not apportioned)									
	Chemical level									
	Refuse level (sewerage)									
	Other refuse provisions (in service level)									
	Minimum Service Level and Above sub-total	31 292	28 183	28 841	29 841	28 841	28 841	28 706	30 097	31 511
	Below sub-total									
	Other refuse provisions (not in service level)									
	No refuse provisions									
	<b>Below Minimum Service Level sub-total</b>									
	<b>Total number of households</b>	31 292	28 183	28 841	29 841	28 841	28 841	28 706	30 097	31 511
	<b>Electricity</b>									
	Electricity (for street not in service level)	8 026	8 065	8 358	5 653	5 653	5 653	5 370	5 922	6 431
	Electricity - prepaid (in service level)	18 279	17 890	18 530	20 605	20 605	20 605	22 191	23 522	24 855
Minimum Service Level and Above sub-total	26 305	25 955	26 888	26 258	26 258	26 258	27 561	29 492	31 286	
Electricity (in service level)										
Electricity - prepaid (in service level)	1 600									
Other energy sources										
<b>Below Minimum Service Level sub-total</b>	1 000									
<b>Total number of households</b>	26 305	25 955	26 888	26 258	26 258	26 258	27 561	29 492	31 286	
<b>Refuse:</b>										
Removed at least once a week	22 687	21 132	20 828	22 628	22 628	22 628	22 790	23 660	24 530	
Minimum Service Level and Above sub-total	22 687	21 132	20 828	22 628	22 628	22 628	22 790	23 660	24 530	
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposed										
No rubbish disposed										
<b>Below Minimum Service Level sub-total</b>										
<b>Total number of households</b>	22 687	21 132	20 828	22 628	22 628	22 628	22 790	23 660	24 530	
<b>Detail of Free Basic Services (FBS) provided</b>		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Electricity</b>	<b>Location of households for each type of FBS</b>									
	Formal settlements (50 kWh per indigent household per month (Rands))	2 022 163	2 215 485	3 448 132	27 882 901	27 882 901	27 882 901	33 723 364	38 957 818	44 385 331
	Number of HH receiving this type of FBS	6 823	7 297		7 500	7 500	7 500	7 400	8 261	9 207
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
Number of HH receiving this type of FBS										
<b>Total cost of FBS - Electricity for informal settlements</b>										
<b>Water</b>	<b>Location of households for each type of FBS</b>									
	Formal settlements (40 litres per indigent household per month (Rands))	1 299 585		1 726 155	11 060 050	11 060 051	11 060 050	14 842 386	16 609 482	21 259 149
	Number of HH receiving this type of FBS	6 823	7 297		7 500	7 500	7 500	7 400	8 261	9 207
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
Number of HH receiving this type of FBS										
<b>Total cost of FBS - Water for informal settlements</b>										
<b>Sanitation</b>	<b>Location of households for each type of FBS</b>									
	Formal settlements (One toilet block works to indigent households)	6 923	7 297		10 776 530	10 776 530	10 776 530	15 687 096	18 133 560	22 997 620
	Number of HH receiving this type of FBS				7 500	7 500	7 500	7 400	8 261	9 207
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
Number of HH receiving this type of FBS										
<b>Total cost of FBS - Sanitation for informal settlements</b>										
<b>Refuse Removal</b>	<b>Location of households for each type of FBS</b>									
	Formal settlements (garbage once a week to indigent households)	6 923	7 297		13 953 400	13 953 400	13 953 400	15 222 708	17 585 536	22 282 292
	Number of HH receiving this type of FBS				7 500	7 500	7 500	7 400	8 261	9 207
	Informal settlements (Rands)									
	Number of HH receiving this type of FBS									
	Informal settlements targeted for upgrading (Rands)									
	Number of HH receiving this type of FBS									
	Living in informal backyard rental agreement (Rands)									
	Number of HH receiving this type of FBS									
	Other (Rands)									
Number of HH receiving this type of FBS										
<b>Total cost of FBS - Refuse Removal for informal settlements</b>										





2018/19 Medium Term Revenue & Expenditure Framework										
Description	MFMA section	2014/15	2015/16	2016/17	Current Year 2017/18			Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	18(1)b	104 987	174 780	259 814	214 936	382 460	382 460	380 242	391 251	389 188
Cash + investments at the yr end less applications - R'000	18(1)b	137 349	203 239	274 898	259 368	416 279	412 079	413 906	440 225	466 755
Cash year end/monthly employee/supplier payments	18(1)b	1.6	2.7	3.5	2.9	5.1	5.1	4.7	4.4	4.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	(64 044)	53 616	39 114	3 256	68 885	68 885	7 951	1 653	30 765
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	5.4%	5.4%	(9.8%)	(4.7%)	(6.0%)	(0.0%)	(0.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	99.1%	98.5%	98.5%	98.5%	98.4%	98.4%	96.9%	96.1%	96.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	1.1%	1.9%	2.7%	2.9%	2.8%	2.8%	2.8%	2.6%	2.5%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl transfers)	18(1)c	73.0%	87.0%	59.9%	60.2%	69.5%	69.5%	40.9%	71.5%	73.0%
Grants % of Govt legislated/gazetted allocations	18(1)a							100.2%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(0.6%)	2.4%	14.6%	0.0%	0.0%	4.5%	10.4%	7.4%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(24.6%)	(33.8%)	(24.5%)	0.0%	0.0%	(49.1%)	(64.4%)	(64.7%)
R&M % of Property Plant & Equipment	20(1)(vi)	1.1%	3.1%	3.4%	4.9%	5.5%	5.5%	6.3%	6.7%	7.1%
Asset renewal % of capital budget	20(1)(vi)	20.0%	16.7%	37.5%	11.6%	6.6%	6.6%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a		6.7%	7.3%	(16.4%)	2.7%	0.0%	7.2%	6.0%	6.0%
% incr in Service charges - other	18(1)a		0.0%	0.0%	(3.1%)	(100.0%)	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	874 000	737 604	821 625	790 432	800 899	800 899	848 717	899 563	953 471
Service charges		674 030	737 604	821 625	790 432	800 899	800 899	848 717	899 563	953 471
Property rates		152 607	164 486	197 047	212 784	214 752	214 752	234 898	249 098	264 044
Service charges - electricity revenue		207 787	324 599	355 454	339 249	339 270	339 270	362 784	384 507	407 545
Service charges - water revenue		100 110	114 179	123 064	114 494	117 120	117 120	116 781	123 754	131 147
Service charges - sanitation revenue		68 581	72 651	79 177	67 869	72 870	72 870	73 184	77 554	82 207
Service charges - refuse removal		00 770	61 689	66 215	55 388	56 888	56 888	80 890	64 649	68 528
Service charges - other		-	-	667	647	-	-	-	-	-
Rental of facilities and equipment		9 253	9 915	11 394	4 933	4 933	4 933	3 679	3 897	4 128
Capital expenditure excluding capital grant funding		54 169	34 482	50 094	49 808	43 184	43 184	132 169	75 500	74 000
Cash receipts from ratepayers	18(1)a	725 698	799 211	898 845	852 584	860 857	860 857	899 458	945 587	1 006 429
Ratepayer & Other revenue	18(1)a	732 011	807 222	912 123	865 566	875 139	875 139	928 861	984 110	1 042 856
Change in consumer debtors (current and non-current)		18 125	(642)	2 523	15 577	15 577	15 577	5 581	13 340	10 482
Operating and Capital Grant Revenue	18(1)a	115 971	164 281	148 093	161 528	202 658	202 658	192 534	225 588	225 336
Capital expenditure - total	20(1)(vi)	109 902	95 133	91 866	97 648	116 620	116 620	194 237	134 030	137 249
Capital expenditure - renewal	20(1)(vi)	32 727	15 000	34 479	11 280	7 713	7 713	-	-	-
<b>Supporting benchmarks</b>										
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.8%	5.4%
DoRA operating grants total MFY								99 544	107 933	119 224
DoRA capital grants total MFY								25 901	29 050	29 436
Provincial operating grants								30 731	59 125	42 863
Provincial capital grants								36 067	29 480	33 813
District Municipality grants										
Total gazetted/advised national, provincial and district grants								192 243	225 588	225 336
Average annual collection rate (arrears inclusive)										
<b>DoRA operating</b>										
Local Government Equitable Share								98 068	106 383	117 674
Finance Management								1 550	1 550	1 550
Municipal Systems Improvement										
EPWP Incentive								1 926		
								99 544	107 933	119 224
<b>DoRA capital</b>										
Municipal Infrastructure Grant (MIG)								21 639	22 010	23 036
INEP								4 262	7 040	6 400
Finance Management										
Municipal Systems Improvement										
								25 901	29 050	29 436



**Trend**

Change in consumer debtors (current and non-current)

18 125

(642)

2 523

(106 915)

5 561

13 340

-

-

-

<b>Total Operating Revenue</b>	804 584	930 881	1 053 123	993 217	1 047 640	1 047 640	1 080 228	1 172 169	1 225 944
<b>Total Operating Expenditure</b>	924 126	937 727	1 047 681	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428
<b>Operating Performance Surplus/(Deficit)</b>	(119 542)	(7 036)	5 432	(44 584)	(4 556)	(4 556)	(54 017)	(56 877)	(32 484)
<b>Cash and Cash Equivalents (30 June 2012)</b>							380 242		
<b>Revenue</b>									
% Increase in Total Operating Revenue		15.7%	13.2%	(5.7%)	5.5%	0.0%	3.1%	8.5%	4.6%
% Increase in Property Rates Revenue		7.8%	19.8%	8.0%	0.9%	0.0%	9.4%	6.0%	6.0%
% Increase in Electricity Revenue		12.8%	9.5%	(4.6%)	0.0%	0.0%	6.9%	6.0%	6.0%
% Increase in Property Rates & Services Charges		9.4%	11.4%	(3.8%)	1.3%	0.0%	6.0%	6.0%	6.0%
<b>Expenditure</b>									
% Increase in Total Operating Expenditure		1.5%	11.7%	(0.9%)	1.4%	0.0%	7.8%	8.4%	2.4%
% Increase in Employee Costs		1.8%	10.0%	10.4%	(1.2%)	0.0%	11.5%	5.6%	5.5%
% Increase in Electricity Bulk Purchases		16.1%	11.8%	(2.8%)	2.4%	0.0%	10.2%	7.1%	7.1%
Average Cost Per Budgeted Employee Position (Remuneration)			298930.0376	290518.3217			327116.2807		
Average Cost Per Councillor (Remuneration)			370611.68	402108.48			438890.4		
R&M % of PPE	4.4%	3.1%	3.4%	4.9%	5.5%	5.5%	6.3%	6.7%	7.1%
Asset Renewal and R&M as a % of PPE	5.0%	3.0%	4.0%	6.0%	6.0%	6.0%	6.0%	7.0%	7.0%
Debt Impairment % of Total Billable Revenue	1.1%	1.9%	2.7%	2.9%	2.8%	2.8%	2.8%	2.6%	2.5%
<b>Capital Revenue</b>									
Internally Funded & Other (R'000)	15 157	7 292	14 544	19 808	19 983	19 983	63 519	21 500	20 000
Borrowing (R'000)	39 012	27 189	35 550	30 000	23 200	23 200	68 650	54 000	54 000
Grant Funding and Other (R'000)	55 734	60 651	41 774	47 840	73 436	73 436	62 068	58 530	63 249
Internally Generated funds % of Non Grant Funding	28.0%	21.1%	29.0%	39.8%	46.3%	46.3%	48.1%	28.5%	27.0%
Borrowing % of Non Grant Funding	72.0%	78.9%	71.0%	60.2%	53.7%	53.7%	51.9%	71.5%	73.0%
Grant Funding % of Total Funding	50.7%	63.8%	45.5%	49.0%	63.0%	63.0%	32.0%	43.7%	46.1%
<b>Capital Expenditure</b>									
Total Capital Programme (R'000)	109 902	95 133	91 868	97 648	116 620	116 620	184 237	134 030	137 249
Asset Renewal	32 727	15 884	34 479	11 280	7 713	7 713	-	-	-
Asset Renewal % of Total Capital Expenditure	29.8%	16.7%	37.5%	11.6%	6.6%	6.6%	0.0%	0.0%	0.0%
<b>Cash</b>									
Cash Receipts % of Rate Payer & Other	99.1%	99.0%	98.5%	98.5%	98.4%	98.4%	96.9%	96.1%	95.5%
Cash Coverage Ratio	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>									
Credit Rating (2009/10)							0		
Capital Charges to Operating	6.9%	7.5%	5.7%	7.5%	7.3%	7.3%	7.2%	7.2%	7.4%
Borrowing Receipts % of Capital Expenditure	73.8%	87.0%	59.9%	60.2%	69.5%	69.5%	40.9%	71.5%	73.0%
<b>Reserves</b>									
Surplus/(Deficit)	137 349	203 239	274 898	259 368	416 279	412 079	413 906	440 225	466 755
<b>Free Services</b>									
Free Basic Services as a % of Equitable Share	7.8%	5.5%	7.1%	75.6%	75.6%	75.6%	82.6%	86.1%	98.6%
Free Services as a % of Operating Revenue (excl operational transfers)	5.1%	5.0%	5.4%	10.3%	9.4%	9.4%	11.7%	13.6%	12.0%
<b>High Level Outcome of Funding Compliance</b>									
Total Operating Revenue	804 584	930 691	1 053 123	993 217	1 047 640	1 047 640	1 080 228	1 172 169	1 225 944
Total Operating Expenditure	924 126	937 727	1 047 681	1 037 801	1 052 197	1 052 197	1 134 245	1 229 047	1 258 428
Surplus/(Deficit) Budgeted Operating Statement	(119 542)	(7 036)	5 432	(44 584)	(4 556)	(4 556)	(54 017)	(56 877)	(32 484)
Surplus/(Deficit) Considering Reserves and Cash Backing	137 349	203 239	274 898	259 368	416 279	412 079	413 906	440 225	466 755
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	✓	✓	✓	✓	✓	✓	✓	✓	✓



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Valuation:</b>									
Date of valuation	02/07/2012	02/07/2012	02/07/2016	02/07/2016					
Financial year valuation used	2012/2013	2012/2013	2016/2017	2016/2017			2017/2018		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	6	6	6	6	6	6	6	6	6
No. of internal valuers (FTE)	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	3	3	3	3	3	3	3	3
No. of additional valuers (FTE)	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	12	12	60	60			48		
No. of properties	41 723	42 264	42 494	42 494	42 494	42 494	42 494	42 494	42 494
No. of sectional title values	2 686	2 686	2 555	2 560	2 560	2 560	2 560	2 560	2 560
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	2	1	1	1	1	1	1	1	1
No. of valuation roll amendments	-	-	6	12	12	12	12	12	12
No. of objections by rate payers	400	8	7	12	12	12	12	12	12
No. of appeals by rate payers	40	-	3	1	10	10	10	10	10
No. of successful objections	40	-	3	1	10	10	10	10	10
No. of successful objections > 10%	5	-	-	1	1	1	1	1	1
Supplementary valuation	2 533	2 323	2 322	2 500	2 500	2 500	2 500	2 500	2 500
Public service infrastructure value (Rm)	98	98	98	82	82	82	87	87	87
Municipality owned property value (Rm)	734	721	739	905	905	905	959	959	959
<b>Valuation reductions:</b>									
Valuation reductions-public infrastructure (Rm)	98	98	98	82	82	82	87	87	87
Valuation reductions-nature reserves/park (Rm)	0	0	0	368	368	368	390	390	390
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	450	442	445	450	450	450	477	477	477
Valuation reductions-public worship (Rm)	155	150	151	158	158	158	167	167	167
Valuation reductions-other (Rm)	2 205	1 937	1 947	1 946	1 946	1 946	2 063	2 063	2 063
<b>Total valuation reductions:</b>	<b>2 908</b>	<b>2 627</b>	<b>2 641</b>	<b>3 003</b>	<b>3 003</b>	<b>3 003</b>	<b>3 183</b>	<b>3 183</b>	<b>3 183</b>
Total value used for rating (Rm)	42 062	42 093	42 303	43 689	43 689	43 689	46 311	46 311	46 311
Total land value (Rm)	22 143	22 138	22 249	21 274	21 274	21 274	22 551	22 551	22 551
Total value of improvements (Rm)	21 397	21 409	21 516	25 585	25 585	25 585	27 121	27 121	27 121
Total market value (Rm)	42 062	42 093	42 303	43 689	43 689	43 689	46 311	46 311	46 311
<b>Rating:</b>									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No			No		
Special rating area used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Phasing-in properties s21 (number)	-	-	-	No			No		
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)	100	220	220	220			220		
Non-residential prescribed ratio s19? (%)	51.4%	51.6%	51.5%	51.5%					
<b>Rate revenue:</b>									
Rate revenue budget (R'000)	152 573	164 448	197 140	212 784	212 784	212 784	234 279	248 336	263 236
Rate revenue expected to collect (R'000)	152 573	164 448	197 140	212 784	212 784	212 784	234 279	248 336	263 236
Expected cash collection rate (%)	99.8%	99.2%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Special rating areas (R'000)	4 808	5 294	6 863	9 088	7 556	7 556	7 994	8 474	8 982
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	401	520	604	-	-	-	-	-	-
Rebates, exemptions - bona fide farm (R'000)	79	85	99	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	3 875	4 642	5 390	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptions, reductions, discounts (R'000)</b>	<b>4 355</b>	<b>5 247</b>	<b>6 093</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

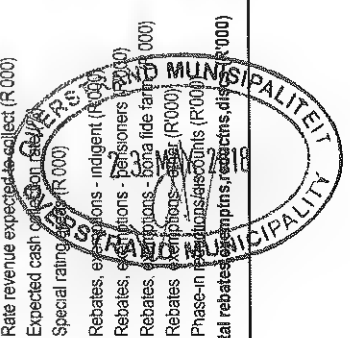


WC032 Overstrand - Supporting Table SA12a Property rates by category (current year)

Description	Rest.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Current Year 2017/18</b>																
<b>Valuation:</b>																
No. of properties	36 815	-	1 083	199	364	2 071	548	-	-	-	-	-	164	-	150	-
No. of sectional title property values	2 232	-	328	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	82	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	1 946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	37 468	-	3 610	576	527	905	82	-	-	-	-	-	368	-	155	-
Total land value (Rm)	17 905	-	1 500	422	291	678	71	-	-	-	-	-	268	-	138	-
Total value of improvements (Rm)	22 550	-	2 110	154	236	226	10	-	-	-	-	-	100	-	200	-
Total market value (Rm)	37 468	-	3 610	576	527	905	82	-	-	-	-	-	368	-	338	-
<b>Rating:</b>																
Average rate	0.005090	-	0.007710	0.001273	0.007710	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)	167 917	-	31 479	930	3 371	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	167 917	-	31 479	930	3 371	-	-	-	-	-	-	-	-	-	-	-
Expected cash flow (R'000)	100.0%	-	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-
Special rate areas (R'000)	7 492	-	1 446	-	150	-	-	-	-	-	-	-	-	-	-	-
Rebates - Dispositions - Indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - Dispositions - Pensioner (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - Dispositions - Donor fee (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates - Dispositions - Other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in Reductions-Discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebate on improvements (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

WC032 Overstrand - Supporting Table SA12b Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
<b>Budget Year 2018/19</b>																
<b>Valuation:</b>																
No. of properties	36 815	-	1 083	199	364	2 071	548	-	-	-	-	-	164	-	150	-
No. of sectional title property values	2 232	-	328	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>																
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-	87	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/bank (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>																
Total value used for rating (Rm)	39 716	-	3 826	611	558	959	87	-	-	-	-	-	390	-	164	-
Total land value (Rm)	18 979	-	1 590	448	308	719	76	-	-	-	-	-	284	-	146	-
Total value of improvements (Rm)	23 903	-	2 236	163	250	240	11	-	-	-	-	-	106	-	212	-
Total market value (Rm)	39 716	-	3 826	611	558	959	87	-	-	-	-	-	390	-	164	-
<b>Rating:</b>																
Average rate	0.005395	-	0.008173	0.001349	0.008173	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)	187 790	-	34 476	734	3 285	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R '000)	187 790	-	34 476	734	3 285	-	-	-	-	-	-	-	-	-	-	-
Expected cash on hand (R '000)	100.0%	-	100.0%	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-
Special rating (R '000)	6 590	-	1 272	132	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farmers (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates/exemptions/reductions, discounts (R'000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



WC032 Overstrand - Supporting Table SA13a Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Property rates (rate in the Rand)</b>								
Residential properties		0.0041	0.0044	0.0047	0.0051	0.0054	0.0058	0.0062
Residential properties - vacant land		0.0057	0.0061	0.0065	0.0070	0.0074	0.0079	0.0085
Formal/informal settlements								
Small holdings								
Farm properties - used		0.0010	0.0011	0.0012	0.0013	0.0013	0.0014	0.0016
Farm properties - not used								
Industrial properties								
Business and commercial properties		0.0063	0.0067	0.0072	0.0077	0.0082	0.0088	0.0094
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties		0.0063	0.0067	0.0072	0.0077	0.0082	0.0088	0.0094
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
<b>Exemptions, reductions and rebates (Rands)</b>								
<b>Residential properties</b>								
R15 000 threshold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Indigent rebate or exemption		100 000	220 000	220 000	220 000	220 000	220 000	220 000
Pensioners/social grants rebate or exemption		100 000	220 000	220 000	220 000	220 000	220 000	220 000
Temporary relief rebate or exemption		30-100%	40-100%	40-100%	40-100%	40-100%	40-100%	40-100%
Bona fide farmers rebate or exemption								
<b>Other rebates or exemptions</b>		75%	75%	75%	75%	75%	75%	75%
<b>Water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		102	108	115	122	128	137	145
Service point - vacant land (Rands/month)		102	108	115	122	128	137	145
Water usage - flat rate tariff (c/kil)	0 - 6 kl	325	362	404	450	502	532	584
Water usage - life line tariff	7 - 18 kl	860	912	966	1 024	1 085	1 150	1 218
Water usage - Block 1 (c/kil)	19 - 30 kl	1 395	1 479	1 567	1 661	1 761	1 867	1 979
Water usage - Block 2 (c/kil)	31 - 45 kl	2 148	2 276	2 413	2 557	2 711	2 874	3 046
Water usage - Block 3 (c/kil)	46 - 60 kl	2 790	2 957	3 134	3 322	3 521	3 732	3 958
Water usage - Block 4 (c/kil)	> 60 kl	3 720	3 943	4 179	4 430	4 698	4 978	5 278
<b>Other</b>								
<b>Waste water tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		91	97	102	109	115	122	129
Service point - vacant land (Rands/month)		110	116	123	129	136	143	150
Waste water - flat rate tariff (c/kil)		1 028	1 088	1 153	1 222	1 296	1 374	1 458
Volumetric charge - Block 1 (c/kil)	Basic charge pumps	61	65	69	73	78	82	87
Volumetric charge - Block 2 (c/kil)	Service per pump	419	444	471	499	529	561	595
Volumetric charge - Block 3 (c/kil)	(fill in structure)							
Volumetric charge - Block 4 (c/kil)	(fill in structure)							
<b>Other</b>								
<b>Electricity tariffs</b>								
<b>Domestic</b>								
Basic charge/fix fee (Rands/month)		205	217	255	268	292	309	328
Service point - vacant land (Rands/month)		205	217	255	268	292	309	328
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)	88	99	100	101	108	114	121
Flat rate tariff - meter (c/kwh)								
Flat rate tariff - prepaid (c/kwh)								
Meter - IBT Block 1 (c/kwh)	Credit Meter							
Meter - IBT Block 2 (c/kwh)	0 - 350 kWh	96	108	109	109	116	123	130
Meter - IBT Block 3 (c/kwh)	351 - 600 kWh	130	146	157	158	169	179	190
Meter - IBT Block 4 (c/kwh)	> 600 kWh	157	176	189	193	207	219	232
Meter - IBT Block 5 (c/kwh)	Prepaid Meter							
Prepaid - IBT Block 1 (c/kwh)	0 - 350 kWh	89	99	100	100	107	113	120
Prepaid - IBT Block 2 (c/kwh)	351 - 600 kWh	123	137	148	149	159	169	179
Prepaid - IBT Block 3 (c/kwh)	> 600 kWh	151	169	182	185	199	211	223
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
<b>Other</b>								
<b>Waste management tariffs</b>								
<b>Domestic</b>								
Street cleaning charge								
Basic charge/fix fee		130	130	146	155	164	174	185
80l bin - once a week								
250l bin - once a week		130	130	146	155	164	174	185



Description	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Exemptions, reductions and rebates (Rands)</b>								
<i>[Insert lines as applicable]</i>								
<								



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	179.40	191.53	205.32	220.57	220.57	220.57	6.0%	233.78	247.81	262.68
Electricity: Basic levy	204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption	1 219.02	1 367.73	1 445.42	1 464.97	1 464.97	1 464.97	6.4%	1 558.85	1 661.87	1 781.58
Water: Basic levy	102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption	294.95	313.77	333.62	354.92	354.92	354.92	6.4%	377.69	400.35	424.37
Sanitation	306.60	325.09	344.53	365.16	365.16	365.16	6.0%	387.25	410.49	435.11
Refuse removal	130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other	41.70	41.70	41.70	41.70	41.70	41.70	28.4%	53.54	53.54	53.54
<b>sub-total</b>	<b>2 478.69</b>	<b>2 703.06</b>	<b>2 886.56</b>	<b>2 991.71</b>	<b>2 991.71</b>	<b>2 991.71</b>	<b>6.8%</b>	<b>3 196.19</b>	<b>3 394.24</b>	<b>3 594.68</b>
VAT on Services	321.90	351.61	375.37	387.96	387.96	387.96		445.70	471.96	499.80
<b>Total large household bill:</b>	<b>2 800.59</b>	<b>3 054.67</b>	<b>3 261.93</b>	<b>3 379.67</b>	<b>3 379.67</b>	<b>3 379.67</b>	<b>7.8%</b>	<b>3 641.89</b>	<b>3 866.20</b>	<b>4 094.48</b>
<b>% Increase/-decrease</b>		<b>9.1%</b>	<b>6.8%</b>	<b>3.6%</b>	<b>-</b>	<b>-</b>		<b>7.8%</b>	<b>6.2%</b>	<b>5.9%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	124.20	132.60	142.15	152.70	152.70	152.70	6.0%	161.85	171.56	181.85
Electricity: Basic levy	204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption	494.02	554.27	571.30	574.61	574.61	574.61	5.9%	608.61	649.64	688.62
Water: Basic levy	102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption	222.11	236.54	251.79	268.19	268.19	268.19	6.5%	285.74	302.88	321.06
Sanitation	270.69	287.01	304.18	322.39	322.39	322.39	6.0%	341.89	362.40	384.15
Refuse removal	130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other	41.70	41.70	41.70	41.70	41.70	41.70	28.4%	53.54	53.54	53.54
<b>sub-total</b>	<b>1 589.74</b>	<b>1 715.36</b>	<b>1 827.09</b>	<b>1 903.98</b>	<b>1 903.98</b>	<b>1 903.98</b>	<b>7.0%</b>	<b>2 036.71</b>	<b>2 160.22</b>	<b>2 286.62</b>
VAT on Services	205.18	221.59	235.89	245.18	245.18	245.18		281.87	298.30	315.71
<b>Total small household bill:</b>	<b>1 794.92</b>	<b>1 936.95</b>	<b>2 062.98</b>	<b>2 149.16</b>	<b>2 149.16</b>	<b>2 149.16</b>	<b>7.9%</b>	<b>2 318.58</b>	<b>2 458.52</b>	<b>2 602.33</b>
<b>% Increase/-decrease</b>		<b>7.9%</b>	<b>6.5%</b>	<b>4.2%</b>	<b>-</b>	<b>-</b>		<b>7.9%</b>	<b>6.0%</b>	<b>5.8%</b>
<b>Monthly Account for Household - 'Indigent'</b>										
<b>Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	69.00	73.67	78.97	84.83	84.83	84.83	6.0%	89.92	95.32	101.03
Electricity: Basic levy	204.56	216.83	254.78	267.52	267.52	267.52	9.0%	291.60	309.10	327.64
Electricity: Consumption	310.24	348.08	351.58	351.05	351.05	351.05	5.8%	371.41	396.30	420.08
Water: Basic levy	102.28	108.42	114.93	121.83	121.83	121.83	6.0%	129.14	136.89	145.10
Water: Consumption	152.36	162.59	173.44	185.14	185.14	185.14	6.8%	197.69	209.55	222.12
Sanitation	234.78	248.93	263.82	279.62	279.62	279.62	6.0%	296.53	314.32	333.18
Refuse removal	130.18	137.99	146.26	155.04	155.04	155.04	6.0%	164.34	174.20	184.65
Other	(593.36)	(635.29)	(701.43)	(739.70)	(739.70)	(739.70)	7.6%	(796.06)	(857.00)	(922.58)
<b>sub-total</b>	<b>610.04</b>	<b>661.22</b>	<b>682.35</b>	<b>705.33</b>	<b>705.33</b>	<b>705.33</b>	<b>5.6%</b>	<b>744.57</b>	<b>778.68</b>	<b>811.24</b>
VAT on Services	69.91	76.42	78.64	77.42	77.42	77.42		87.86	93.23	98.93
<b>Total small household bill:</b>	<b>679.95</b>	<b>737.64</b>	<b>760.99</b>	<b>782.75</b>	<b>782.75</b>	<b>782.75</b>	<b>6.3%</b>	<b>832.43</b>	<b>871.91</b>	<b>910.17</b>
<b>% Increase/-decrease</b>		<b>8.5%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>-</b>	<b>-</b>		<b>6.3%</b>	<b>4.7%</b>	<b>4.4%</b>





WC032 Overstrand - Supporting Table SA15 Investment particulars by type

Investment type	2014/15		2015/16		2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome		Audited Outcome		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
<u>Parent municipality</u>											
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank	26 051		101 263		170 727						
Deposits - Public Investment Commissioners											
Deposits - Corporation for Public Deposits											
Bankers Acceptance Certificates											
Negotiable Certificates of Deposit - Banks											
Guaranteed Endowment Policies (sinking)	23 149		29 740		37 982	43 422	43 422	43 422	50 546	57 885	65 480
Repurchase Agreements - Banks											
Municipal Bonds											
<b>Municipality sub-total</b>	<b>49 200</b>		<b>131 003</b>		<b>208 709</b>	<b>43 422</b>	<b>43 422</b>	<b>43 422</b>	<b>50 546</b>	<b>57 885</b>	<b>65 460</b>



WC032 Overstrand - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
LIBERTY 15934476	15 Years	Policy	Yes	Variable	Fair Value Adjustment			01/09/2025	12 923	886		1 500	15 309
LIBERTY 21196964	14 Years	Policy	Yes	Variable	Fair Value Adjustment			01/09/2025	21 220	1 034		3 120	25 374
MOMENTUM 385376	15 Years	Policy	Yes	Variable	Fair Value Adjustment			01/07/2026	2 349	30		360	2 739
TOTAL INVESTMENTS AND INTEREST										36 492	-	4 980	43 422

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## WC032 Overstrand - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	2014/15		2015/16		2016/17		Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Parent municipality</b>												
Annuit and Bullet Loans	308 904		312 402		312 495		309 052	309 052	309 052	323 677	336 040	343 710
Long-Term Loans (non-annuity)	100 000		100 000		100 000		100 000	100 000	100 000	100 000	100 000	100 000
Local registered stock												
Instalment Credit												
Financial Leases	60											
PPP liabilities												
Finance Granted By Cap Equipment Supplier												
Marketable Bonds												
Non-Marketable Bonds												
Bankers Acceptances												
Financial derivatives												
Other Securities												
<b>Total Borrowing</b>	<b>408 964</b>		<b>412 402</b>		<b>412 495</b>		<b>409 052</b>	<b>409 052</b>	<b>409 052</b>	<b>423 677</b>	<b>436 040</b>	<b>443 710</b>
<b>Unspent Borrowing - Categorised by type</b>												
<b>Parent municipality</b>												
Long-Term Loans (annuity/reducing balance)	2 800							10 450	14 650			
Long-Term Loans (non-annuity)												
Local registered stock												
Instalment Credit												
Financial Leases												
PPP liabilities												
Finance Granted By Cap Equipment Supplier												
Marketable Bonds												
Non-Marketable Bonds												
Bankers Acceptances												
Financial derivatives												
Other Securities												
<b>Total Unspent Borrowing</b>	<b>2 800</b>		<b>-</b>		<b>-</b>		<b>-</b>	<b>10 450</b>	<b>14 650</b>	<b>-</b>	<b>-</b>	<b>-</b>



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	56 511	67 700	75 347	84 073	88 073	88 073	99 544	107 933	119 224
Local Government Equitable Share	52 021	64 598	72 950	84 223	84 223	84 223	96 068	106 383	117 674
Finance Management	1 450	1 450	1 475	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Systems Improvement									
EPWP Incentive	1 768	1 661	1 922	2 300	2 300	2 300	1 926		
Disaster recovery grant	1 272								
<b>Provincial Government:</b>	4 481	35 118	41 312	24 378	38 673	38 673	30 731	59 125	42 863
Human Settlements Development Grant	632	29 425	35 101	17 639	31 519	31 519	23 633	51 660	35 187
Library Services Grant	3 182	5 307	5 889	6 306	6 306	6 306	6 147	7 111	7 502
Financial Management Capacity Building Grant				240	240	240	360		
Community Development Workers Operational Support Grant	70	72	75	54	54	54	74	74	74
Maintenance & Construction of Transport Infrastructure	83	114	137	139	139	139	137		
Western Cape Financial Management Support Grant	515				280	280	280	280	
Local Government Internship Grant			60		66	66			
Greenest Municipality Competition			50		70	70			
Thusong Service Centre		100					100		100
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
<b>Other grant providers:</b>	165	-	-	-	-	-	-	-	-
Table Mountain Fund/ ACIP/Friedrich Naumann	165								
<b>Total Operating Transfers and Grants</b>	61 158	102 827	117 659	112 451	126 746	126 746	130 275	187 058	162 087
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	23 608	31 647	26 000	26 330	26 330	26 330	25 901	29 750	29 836
Municipal Infrastructure Grant (MIG)	20 674	21 417	21 030	22 330	22 330	22 330	21 639	22 010	23 036
INEP	2 000	8 000	5 000	4 000	4 000	4 000	4 262	7 040	6 400
Finance Management		1 300							
Municipal Systems Improvement	934	1 000							
<b>Other capital transfers/grants [insert desc]</b>									
<b>Provincial Government:</b>	30 195	29 110	19 400	19 878	44 028	44 028	38 087	29 480	33 813
Human Settlements Development Grant	28 045	28 080	8 290	17 186	36 977	36 977	35 467	29 480	33 813
Library Services Grant	2 150	3 031	1 000	700	700	700	600		
<b>Development of Sport &amp; Recreation Facilities</b>				1 171	1 171	1 171			
Fire Service Capacity Building Grant			1 200	800	800	800			
Community Development Workers Operational Support Grant				21	21	21			
Municipal Service Delivery and Capacity Building Grant					360	360			
<b>Public Transport Non- motorised Infrastructure</b>					4 000	4 000			
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
<b>Other grant providers:</b>	2 000	-	-	-	-	-	-	-	-
National Lotto	1 000								
DWA ACIP	1 000								
<b>Total Capital Transfers and Grants</b>	55 803	60 757	30 500	46 200	70 358	70 358	61 968	58 530	63 249
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	116 961	163 584	154 179	158 651	197 104	197 104	192 243	225 588	225 336



## WC032 Overstrand - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	3 900	3 701	3 397	3 850	3 850	3 850	3 476	1 550	1 550
Local Government Equitable Share									
Finance Management	860	2 040	1 475	1 550	1 550	1 550	1 550	1 550	1 550
Municipal Systems Improvement									
EPWP Incentive	1 768	1 661	1 922	2 300	2 300	2 300	1 926		
Disaster recovery grant	1 272								
<b>Provincial Government:</b>	4 551	36 630	38 034	25 615	41 144	41 144	31 022	59 125	42 863
Human Settlements Development Grant	632	29 425	31 921	18 779	33 892	33 892	23 633	51 660	35 187
Library Services Grant	3 182	5 307	5 889	6 306	6 306	6 306	6 147	7 111	7 502
Financial Management Capacity Building Grant				240	240	240	600		
Community Development Workers Operational Support Grant	70	72	75	54	54	54	74	74	74
Maintenance & Construction of Transport Infrastructure	83	114	137	139	139	139	137		
Greenest Municipality Competition	38			50	120	120			
Local Government Internship Graduate Grant			12	48	114	114	51		
Western Cape Financial Management Support Grant	547	1 513			280	280	280	280	
Thusong Service Centre		200					100		100
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<i>Table Mountain Fund/ ACIP/Friedrich Naumann</i>									
<b>Total operating expenditure of Transfers and Grants:</b>	8 452	40 331	41 431	29 465	44 994	44 994	34 498	60 675	44 413
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	23 608	30 347	26 030	26 330	26 330	26 330	25 901	29 050	29 436
Municipal Infrastructure Grant (MIG)	20 674	21 417	21 030	22 330	22 330	22 330	21 639	22 010	23 036
INEP	2 000	8 000	5 000	4 000	4 000	4 000	4 262	7 040	6 400
Finance Management									
Municipal Systems Improvement	934	930							
<b>Provincial Government:</b>	31 890	29 004	7 681	21 510	47 111	47 111	36 067	29 480	33 813
Human Settlements Development Grant	29 740	25 974	7 651	17 186	37 890	37 890	35 467	29 480	33 813
Library Services Grant	2 150	3 031	30	1 132	1 670	1 670	600		
Development of Sport & Recreation Facilities				1 171	1 171	1 171			
Fire Service Capacity Building Grant				2 000	2 000	2 000			
Community Development Workers Operational Support Grant				21	21	21			
Municipal Service Delivery and Capacity Building Grant					360	360			
Public Transport Non- motorised Infrastructure					4 000	4 000			
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
<b>Other grant providers:</b>	1 000	-	-	-	-	-	-	-	-
<i>National Lotto</i>	1 000								
<b>Total capital expenditure of Transfers and Grants</b>	56 498	59 351	33 711	47 840	73 441	73 441	61 968	58 530	63 249
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	64 949	99 683	75 143	77 305	118 435	118 435	96 466	119 205	107 662



## WC032 Overstrand - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year		590							
Current year receipts	56 511	67 709	76 347	88 073	88 073	88 073	99 544	107 933	119 224
Conditions met - transferred to revenue	55 921	68 299	76 347	88 073	88 073	88 073	99 544	107 933	119 224
Conditions still to be met - transferred to liabilities	590								
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	683	213	2 944	1 238	2 471	2 471	291		
Current year receipts	4 081	35 118	41 312	24 378	38 673	38 673	30 731	59 125	42 863
Conditions met - transferred to revenue	4 551	35 330	38 064	25 615	41 144	41 144	31 022	59 125	42 863
Conditions still to be met - transferred to liabilities	213		6 192						
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Total operating transfers and grants revenue</b>	<b>60 473</b>	<b>103 629</b>	<b>114 411</b>	<b>113 688</b>	<b>129 217</b>	<b>129 217</b>	<b>130 566</b>	<b>167 058</b>	<b>162 087</b>
<b>Total operating transfers and grants - CTBM</b>	<b>802</b>	<b>-</b>	<b>6 192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year									
Current year receipts	23 608	30 347	26 030	26 330	26 330	26 330	25 901	29 050	29 436
Conditions met - transferred to revenue	23 608	30 347	26 030	26 330	26 330	26 330	25 901	29 050	29 436
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 618			1 632	3 078	3 078			
Current year receipts	29 508	30 410	10 490	19 878	44 028	44 028	36 067	29 480	33 813
Conditions met - transferred to revenue	32 126	30 304	10 490	21 510	47 106	47 106	36 067	29 480	33 813
Conditions still to be met - transferred to liabilities		106							
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year							100		
Current year receipts			5 254						
Conditions met - transferred to revenue	-	-	5 254	-	-	-	100	-	-
Conditions still to be met - transferred to liabilities									
<b>Total capital transfers and grants revenue</b>	<b>55 734</b>	<b>60 651</b>	<b>41 774</b>	<b>47 840</b>	<b>73 436</b>	<b>73 436</b>	<b>62 068</b>	<b>58 530</b>	<b>63 249</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>116 206</b>	<b>164 281</b>	<b>156 186</b>	<b>161 528</b>	<b>202 653</b>	<b>202 653</b>	<b>192 634</b>	<b>225 588</b>	<b>225 336</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>802</b>	<b>106</b>	<b>6 192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>									
<b>Cash Transfers to other municipalities</b>									
<i>Insert description</i>									
<b>Total Cash Transfers To Municipalities:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>									
<i>Insert description</i>									
<b>Total Cash Transfers To Entities/Em's</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>									
<i>Insert description</i>									
<b>Total Cash Transfers To Other Organs Of State:</b>	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>									
<i>Mayor's Charity Fund</i>	278	348	348	278	278	278	132	278	292
<i>National Sea Rescue Institute (Hermanus Station)</i>							30		
<i>Hermanus Night Shelter</i>							12		
<i>Recycle Swap Shop</i>							20		
<i>Franskrail Bowling Club</i>							10		
<i>Child Welfare Kleinmond</i>							20		
<i>Sustainable Futures Trust</i>							30		
<i>Overstrand Hospice</i>							18		
<i>Camp Hill Farm Community</i>							18		
<i>Stanford Conservation</i>							20		
<i>Overberg Aquatic Club</i>							25		
<i>Hermanus Botanical Society</i>							7		
<i>Child Welfare Hermanus</i>							30		
<i>Pearly Beach Conservancy</i>							16		
<i>BADISA</i>							25		
<i>Overstrand Association for People with Disabilities (OAPD)</i>							20		
<i>Narrative Foundation</i>							20		
<i>Hermanus Hacking Group</i>							12		
<i>Overberg Wheelchair Association</i>							15		
<i>Kids at the Centre</i>							20		
<i>Tourism Bureau</i>	1 733	1 508	1 468	1 500	1 500	1 500			
<b>Total Cash Transfers To Organisations</b>	2 011	1 856	1 817	1 778	1 778	1 778	500	278	292
<b>Cash Transfers to Groups of Individuals</b>									
<i>Low income house-hold subsidies</i>	41 922	48 900	54 287						
<b>Total Cash Transfers To Groups Of Individuals:</b>	41 922	48 900	54 287	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	43 933	50 757	56 103	1 778	1 778	1 778	500	278	292
<b>Non-Cash Transfers to other municipalities</b>									
<i>Insert description</i>									
<b>Total Non-Cash Transfers To Municipalities:</b>	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>									
<i>Insert description</i>									
<b>Total Non-Cash Transfers To Entities/Em's</b>	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>									
<i>Insert description</i>	6 459	333	32						
<b>Total Non-Cash Transfers To Other Organs Of State:</b>	6 459	333	32	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>									
<i>Insert description</i>									
<b>Total Non-Cash Grants To Organisations</b>	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>									
<i>Insert description</i>									
<b>Total Non-Cash Grants To Groups Of Individuals:</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL NON-CASH TRANSFERS AND GRANTS</b>	6 459	333	32	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS</b>	50 392	51 090	56 136	1 778	1 778	1 778	500	278	292



Summary of Employee and Councillor remuneration	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	7 533	7 961	8 608	9 393	9 166	9 166	9 862	10 357	10 877
Pension and UIF Contributions					-	-			
Medical Aid Contributions					-	-			
Motor Vehicle Allowance					-	-			
Cellphone Allowance	570	570	1 017	1 010	1 086	1 086	1 110	1 161	1 215
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>8 104</b>	<b>8 531</b>	<b>9 265</b>	<b>10 053</b>	<b>10 253</b>	<b>10 253</b>	<b>10 972</b>	<b>11 518</b>	<b>12 091</b>
% Increase		5.7%	8.2%	8.6%	2.0%	-	7.0%	5.0%	5.0%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	9 190	9 543	9 944	10 753	10 753	10 753	10 954	11 838	12 442
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus							210	220	230
Motor Vehicle Allowance									
Cellphone Allowance	147	154	158	175	175	175	194	229	240
Housing Allowances									
Other benefits and allowances		32							
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>9 337</b>	<b>9 729</b>	<b>10 102</b>	<b>10 928</b>	<b>10 928</b>	<b>10 928</b>	<b>11 358</b>	<b>12 288</b>	<b>12 912</b>
% Increase		4.2%	3.8%	8.2%	-	-	3.9%	8.2%	5.1%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	168 541	175 857	175 723	204 000	199 269	199 269	225 106	237 071	250 518
Pension and UIF Contributions	27 068	29 587	30 114	35 806	35 564	35 564	39 574	42 181	44 594
Medical Aid Contributions	9 363	9 829	10 523	12 625	12 433	12 433	13 679	14 243	14 677
Overtime	14 765	15 724	15 613	15 622	16 076	16 076	23 606	24 999	26 473
Performance Bonus									
Motor Vehicle Allowance	9 634	7 222	7 602	8 213	8 213	8 213	8 203	8 295	8 299
Cellphone Allowance	1 750	1 119	1 483	1 475	1 450	1 450	2 049	2 137	2 237
Housing Allowances	944	4 608	5 064	5 405	5 340	5 340	2 542	2 542	2 542
Other benefits and allowances	11 228	10 248	26 398	29 993	27 235	27 235	28 983	28 446	29 711
Payments in lieu of leave	996	1 815	1 385	765	965	965	1 062	1 168	1 285
Long service awards	1 161	2 288	1 836	689	1 769	1 769	1 946	2 140	2 354
Post-retirement benefit obligations	15 032	6 539	16 076	7 724	9 924	9 924	10 916	12 008	13 209
<b>Sub Total - Other Municipal Staff</b>	<b>260 483</b>	<b>264 835</b>	<b>291 817</b>	<b>322 297</b>	<b>318 237</b>	<b>318 237</b>	<b>355 667</b>	<b>375 230</b>	<b>390 071</b>
% Increase		1.7%	10.2%	10.1%	(1.3%)	-	11.8%	5.5%	5.6%
<b>Total Parent Municipality</b>	<b>277 924</b>	<b>283 130</b>	<b>311 185</b>	<b>343 277</b>	<b>339 416</b>	<b>339 416</b>	<b>377 997</b>	<b>399 036</b>	<b>421 076</b>





Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions 178 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
<b>Councillors</b>							
Speaker	1	669 066		44 412			713 478
Chief Whip							-
Executive Mayor	1	817 552		44 412			861 964
Deputy Executive Mayor	1	668 568		44 412			712 980
Executive Committee	4	3 134 662		222 060			3 356 722
Total for all other councillors	18	4 572 112		755 004			5 327 116
<b>Total Councillors</b>	<b>25</b>	<b>9 861 960</b>	<b>-</b>	<b>1 110 300</b>			<b>10 972 260</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	1 700 000	-	28 536	210 000		1 938 536
Chief Finance Officer	1	1 727 185	-	25 536			1 752 721
Community Services Director	1	1 490 236	-	28 536	-		1 518 772
Management Services Director	1	1 469 138	-	28 536	-		1 497 674
LED Director	1	1 433 440	-	28 536	-		1 461 976
Infrastructure and Planning Director	1	1 732 691	-	25 536	-		1 758 227
<i>List of each official with packages &gt;= senior manager</i>							
Protection Services Director	1	1 401 393	-	28 536			1 429 929
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
							-
<b>Total Senior Managers of the Municipality</b>	<b>7</b>	<b>10 954 083</b>	<b>-</b>	<b>193 752</b>	<b>210 000</b>		<b>11 357 835</b>



Summary of Personnel Numbers			2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees		
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)	25	7		25	7		25	7			
Board Members of municipal entities											
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	7	7		7	7		7	7			
Other Managers	55	52		55	53		56	54			
Professionals	57	17	-	23	19	-	23	21	-		
Finance	23	17		20	16		20	18			
Spatial/town planning	8	7									
Information Technology				1	1		1	1			
Roads	8	6									
Electricity	8	6									
Water	4	1									
Sanitation	3	3									
Refuse	3	3									
Other				2	2		2	2			
Technicians	202	190	-	190	167	-	188	167	-		
Finance											
Spatial/town planning	6	5		13	12		13	12			
Information Technology	4	3		5	3		5	3			
Roads	3	3		9	9		9	8			
Electricity	22	18		30	25		30	24			
Water	5	4		20	16		19	18			
Sanitation	6	6		2	2		2	2			
Refuse	3	3		5	5		4	4			
Other	153	148		106	95		106	96			
Clerks (Clerical and administrative)	186	173		263	232		262	234			
Service and sales workers	144	105		128	96		104	95			
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators	25	24		63	54		55	55			
Elementary Occupations	466	434		418	400		423	405			
<b>TOTAL PERSONNEL NUMBERS</b>	<b>1 167</b>	<b>1 035</b>	<b>-</b>	<b>1 172</b>	<b>1 035</b>	<b>-</b>	<b>1 147</b>	<b>1 045</b>	<b>-</b>		
<b>% increase</b>				0.4%	-	-	(2.1%)	1.0%	-		
<b>Total municipal employees headcount</b>	<b>1 112</b>	<b>1 028</b>		<b>1 147</b>	<b>1 028</b>		<b>1 122</b>	<b>1 038</b>			
Finance personnel headcount	113	100		113	103		113	100			
Human Resources personnel headcount	10	17		18	17		18	18			



WC032 Overstrand - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousand</b>															
<b>Revenue By Source</b>															
Property rates	19 309	19 309	19 309	19 309	19 309	20 952	19 309	19 309	19 309	19 309	19 309	20 952	234 998	249 098	264 044
Service charges - electricity revenue	30 477	30 477	30 477	30 477	30 477	30 477	30 477	30 477	30 477	30 477	30 477	27 539	362 784	384 507	407 545
Service charges - water revenue	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	9 732	116 781	123 754	131 147
Service charges - sanitation revenue	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	6 097	73 164	77 554	82 207
Service charges - refuse revenue	5 082	5 082	5 082	5 082	5 082	5 083	5 082	5 082	5 082	5 082	5 082	5 083	60 990	64 649	68 528
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	302	302	314	302	302	319	302	302	314	302	302	319	3 679	3 897	4 128
Interest earned - external investments	1 333	1 333	1 333	1 333	1 333	1 334	1 333	1 333	1 333	1 333	1 333	6 334	21 001	21 001	21 001
Interest earned - outstanding debtors	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 922	4 157
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 910	2 910	2 920	2 910	2 910	2 920	2 910	2 910	2 920	2 910	2 910	2 921	34 965	37 060	39 281
Licences and permits	198	198	209	198	198	221	198	198	209	198	198	221	2 447	2 593	2 749
Agency services	308	308	315	308	308	315	308	308	315	308	308	315	3 726	3 970	4 187
Transfers and subsidies	846	846	28 387	846	846	28 387	846	846	28 387	846	846	36 636	130 566	167 058	182 087
Other revenue	2 248	2 248	2 693	2 248	2 248	2 945	2 248	2 248	2 693	2 248	2 248	5 114	31 427	33 105	34 884
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>79 151</b>	<b>79 151</b>	<b>107 177</b>	<b>79 151</b>	<b>79 151</b>	<b>109 090</b>	<b>79 151</b>	<b>79 151</b>	<b>107 177</b>	<b>79 151</b>	<b>79 151</b>	<b>123 574</b>	<b>1 080 228</b>	<b>1 172 168</b>	<b>1 225 944</b>
<b>Expenditure By Type</b>															
Employee related costs	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	30 174	35 109	367 024	387 518	408 985
Remuneration of councillors	914	914	914	914	914	914	914	914	914	914	914	914	10 972	11 518	12 091
Debt impairment	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	2 599	23 492	23 492	23 492
Depreciation & asset impairment	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	9 876	21 724	130 362	128 876	127 889
Finance charges	-	-	-	-	-	23 917	-	-	-	-	-	23 917	47 834	50 433	52 084
Bulk purchases	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	25 657	238 588	255 610	273 866
Other materials	2 446	2 441	9 408	2 446	2 441	9 432	2 446	2 441	9 408	2 446	2 441	9 803	57 602	89 068	74 195
Contracted services	12 400	12 400	16 413	12 400	12 400	30 976	12 400	12 400	16 429	12 400	12 400	30 618	193 637	213 119	214 980
Transfers and subsidies	42	42	42	42	42	42	42	42	42	42	42	42	500	278	292
Other expenditure	5 970	4 627	5 352	4 627	4 627	5 356	4 627	4 627	5 352	5 075	4 627	9 327	64 232	69 133	70 574
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>83 080</b>	<b>81 731</b>	<b>93 436</b>	<b>81 736</b>	<b>81 731</b>	<b>131 984</b>	<b>81 736</b>	<b>81 731</b>	<b>93 452</b>	<b>82 184</b>	<b>81 731</b>	<b>159 711</b>	<b>1 134 245</b>	<b>1 229 047</b>	<b>1 258 428</b>
<b>Surplus/(Deficit)</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>13 741</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>(22 895)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>13 725</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(36 137)</b>	<b>(54 017)</b>	<b>(56 877)</b>	<b>(32 484)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	11 215	-	-	11 215	-	-	11 215	-	-	28 324	61 968	58 530	63 249
Transfers and subsidies - capital (non-monetary allocations) (National / Provincial Departmental Agencies, Hospitals, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>24 956</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>(11 680)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>24 940</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(7 813)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of other associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>(3 928)</b>	<b>(2 580)</b>	<b>24 956</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>(11 680)</b>	<b>(2 585)</b>	<b>(2 580)</b>	<b>24 940</b>	<b>(3 033)</b>	<b>(2 580)</b>	<b>(7 813)</b>	<b>7 951</b>	<b>1 653</b>	<b>30 765</b>

WC032 Overstrand - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	Reported monthly revenue and expenditure (municipal year)												Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
	July	August	Sept.	October	November	December	January	February	March	April	May	June				
R thousand																
Revenue by Vote																
Vote 1 - Council	15	15	6 217	15	15	6 217	15	15	6 217	15	15	6 217	24 988	26 998	29 854	
Vote 2 - Municipal Manager	4	4	4	4	4	4	4	4	4	4	4	4	51	-	-	
Vote 3 - Management Services	29	29	31	29	29	146	29	29	31	29	29	146	584	604	626	
Vote 4 - Finance	22 007	22 007	22 078	22 007	22 007	23 730	22 007	22 007	22 078	22 007	22 007	25 741	269 883	284 336	299 588	
Vote 5 - Community Services	23 111	23 111	38 378	23 111	23 111	38 523	23 111	23 111	38 378	23 111	23 111	38 524	338 690	359 849	383 342	
Vote 6 - Economic and Social Development & Tourism	186	186	186	186	186	186	186	186	186	186	186	186	2 226	300	300	
Vote 7 - Infrastructure & Planning	31 154	31 154	53 711	31 154	31 154	53 711	31 154	31 154	53 711	31 154	31 154	53 711	454 077	514 204	528 413	
Vote 8 - Protection Services	3 401	3 401	3 672	3 401	3 401	3 673	3 401	3 401	3 672	3 401	3 401	3 673	41 896	44 408	47 070	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
Total Revenue by Vote	79 906	79 906	124 277	79 906	79 906	126 189	79 906	79 906	124 277	79 906	79 906	128 202	1 142 196	1 230 699	1 289 193	
Expenditure by Vote to be appropriated																
Vote 1 - Council	3 841	2 497	2 819	2 497	2 497	2 819	2 497	2 497	2 819	2 497	2 497	2 820	33 049	34 570	37 104	
Vote 2 - Municipal Manager	430	430	497	430	430	498	430	430	497	430	430	539	5 467	5 649	5 885	
Vote 3 - Management Services	4 019	4 019	4 049	4 019	4 019	4 114	4 019	4 019	4 049	4 019	4 019	8 416	52 776	56 228	58 108	
Vote 4 - Finance	6 522	6 522	6 592	6 522	6 522	6 643	6 522	6 522	6 592	6 522	6 522	6 644	78 645	88 502	86 470	
Vote 5 - Community Services	27 806	27 806	32 496	27 806	27 806	50 262	27 806	27 806	32 496	27 806	27 806	61 809	409 514	427 714	443 592	
Vote 6 - Economic and Social Development & Tourism	960	955	1 005	960	955	1 033	960	955	1 021	960	955	1 034	11 752	10 439	10 873	
Vote 7 - Infrastructure & Planning	34 159	34 159	40 496	34 159	34 159	51 132	34 159	34 159	40 496	34 159	34 159	51 133	456 531	513 013	523 213	
Vote 8 - Protection Services	7 163	7 163	7 302	7 163	7 163	7 302	7 163	7 163	7 302	7 163	7 163	7 302	86 511	92 832	93 183	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
0													-	-	-	
Total Expenditure by Vote	84 899	83 551	95 256	83 556	83 551	133 804	83 556	83 551	95 272	84 004	83 551	139 696	1 134 245	1 229 047	1 258 428	
Surplus/(Deficit) before assoc.	(4 993)	(3 644)	29 021	(3 650)	(3 644)	(7 614)	(3 650)	(3 644)	29 005	(4 097)	(3 644)	(11 494)	7 951	1 653	30 765	
Taxation																
Attributable																
Share of surplus/(deficit) of assoc.																
Surplus/(Deficit)	(4 993)	(3 644)	29 021	(3 650)	(3 644)	(7 614)	(3 650)	(3 644)	29 005	(4 097)	(3 644)	(11 494)	7 951	1 653	30 765	



WC032 Overstrand - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Revenue - Functional															
Governance and administration															
Executive and council	21 672	21 672	27 981	21 672	21 672	29 760	21 672	21 672	27 981	21 672	21 672	36 927	298 029	312 713	330 858
Finance and administration	18	18	6 235	18	18	6 247	18	18	6 235	18	18	6 247	25 110	27 147	29 991
Internal audit	21 654	21 654	21 746	21 654	21 654	23 513	21 654	21 654	21 746	21 654	21 654	30 629	270 868	285 556	300 867
Community and public safety	1 612	1 612	9 965	1 612	1 612	9 973	1 612	1 612	9 965	1 612	1 612	38 649	81 447	110 586	96 321
Community and social services	586	586	661	586	586	664	586	586	661	586	586	740	7 413	10 209	10 734
Sport and recreation	952	952	969	952	952	973	952	952	969	952	952	2 473	13 000	17 186	14 413
Public safety	19	19	280	19	19	281	19	19	280	19	19	281	1 272	1 348	1 429
Housing	55	55	8 055	55	55	8 055	55	55	8 055	55	55	35 155	59 762	81 842	69 744
Health															
Economic and environmental services	4 357	4 357	5 242	4 357	4 357	5 367	4 357	4 357	5 242	4 357	4 357	7 391	58 097	57 704	58 891
Planning and development	950	950	950	950	950	950	950	950	950	950	950	1 000	11 449	10 094	10 699
Road transport	3 407	3 407	4 292	3 407	3 407	4 417	3 407	3 407	4 292	3 407	3 407	6 390	46 648	47 610	48 191
Environmental protection															
Trading services	51 510	51 510	75 203	51 510	51 510	75 204	51 510	51 510	75 203	51 510	51 510	68 930	708 624	749 686	803 123
Energy sources	30 597	30 597	38 379	30 597	30 597	38 379	30 597	30 597	38 379	30 597	30 597	35 441	395 354	422 870	448 613
Water management	9 698	9 698	14 435	9 698	9 698	14 435	9 698	9 698	14 435	9 698	9 698	12 435	133 327	143 633	154 133
Waste water management	6 130	6 130	13 408	6 130	6 130	13 408	6 130	6 130	13 408	6 130	6 130	12 072	101 333	101 244	112 737
Waste management	5 085	5 085	8 982	5 085	5 085	8 982	5 085	5 085	8 982	5 085	5 085	8 982	76 610	81 949	87 641
Other															
Total Revenue - Functional	79 151	79 151	118 392	79 151	79 151	120 304	79 151	79 151	118 392	79 151	79 151	151 898	1 142 196	1 230 699	1 289 193
Expenditure - Functional															
Governance and administration	18 512	17 168	19 529	17 168	17 168	19 662	17 168	17 168	19 529	17 168	17 168	23 904	221 763	239 027	244 029
Executive and council	5 249	3 906	5 736	3 906	3 906	5 738	3 906	3 906	5 736	3 906	3 906	5 617	55 867	58 666	62 304
Finance and administration	13 045	13 045	13 510	13 045	13 045	13 642	13 045	13 045	13 510	13 045	13 045	17 927	162 952	177 316	178 525
Internal audit	217	217	283	217	217	283	217	217	283	217	217	361	2 944	3 044	3 200
Community and public safety	8 127	8 127	16 095	8 127	8 127	16 528	8 127	8 127	16 095	8 127	8 127	30 609	144 344	180 047	166 393
Community and social services	1 287	1 287	1 380	1 287	1 287	1 383	1 287	1 287	1 380	1 287	1 287	2 314	16 752	16 977	18 015
Sport and recreation	3 260	3 260	4 363	3 260	3 260	4 813	3 260	3 260	4 363	3 260	3 260	18 579	58 238	61 164	63 419
Public safety	3 230	3 230	3 298	3 230	3 230	3 298	3 230	3 230	3 298	3 230	3 230	2 644	38 381	43 180	42 309
Housing	350	350	7 034	350	350	7 034	350	350	7 034	350	350	7 072	30 974	58 726	42 650
Health															
Economic and environmental services	13 949	13 944	14 663	13 949	13 944	27 256	13 949	13 944	14 663	13 949	13 944	28 416	196 571	204 572	210 646
Planning and development	2 970	2 964	2 981	2 970	2 964	2 981	2 970	2 964	2 981	2 970	2 964	7 379	40 059	39 850	41 788
Road transport	9 981	9 981	10 683	9 981	9 981	23 276	9 981	9 981	10 683	9 981	9 981	23 484	147 972	155 566	159 420
Environmental protection	999	999	999	999	999	999	999	999	999	999	999	(2 447)	8 540	9 157	9 438
Trading services	42 222	42 222	42 844	42 222	42 222	68 216	42 222	42 222	42 844	42 222	42 222	76 482	568 159	601 794	633 617
Energy sources	24 051	24 051	24 051	24 051	24 051	32 303	24 051	24 051	24 051	24 051	24 051	38 997	311 806	330 970	351 107
Water management	7 251	7 251	7 283	7 251	7 251	18 676	7 251	7 251	7 283	7 251	7 251	19 039	110 285	116 618	120 140
Waste water management	5 597	5 597	5 768	5 597	5 597	10 932	5 597	5 597	5 768	5 597	5 597	11 670	78 918	83 899	87 737
Waste management	5 323	5 323	5 742	5 323	5 323	6 306	5 323	5 323	5 742	5 323	5 323	6 776	67 150	70 307	74 632
Other	270	270	305	270	270	321	270	270	321	270	270	300	3 408	3 607	3 743
Total Expenditure - Functional	83 080	81 731	93 436	81 736	81 731	131 984	81 736	81 731	93 452	82 184	81 731	159 711	1 134 245	1 229 047	1 258 428
Surplus/(Deficit) before asset	(3 928)	(2 580)	24 956	(2 585)	(2 580)	(11 680)	(2 585)	(2 580)	24 940	(3 033)	(2 580)	(7 813)	7 951	1 653	30 765
Share of surplus/(deficit) of associated															
Surplus/(Deficit)	(3 928)	(2 580)	24 956	(2 585)	(2 580)	(11 680)	(2 585)	(2 580)	24 940	(3 033)	(2 580)	(7 813)	7 951	1 653	30 765

OVERSTRAND MUNICIPALITY

23 MAY 2018

OVERSTRAND MUNICIPALITEIT



WC032 Overstrand - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Multi-year expenditure to be appropriated															
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	3 056	3 622	10 696	16 808	1 916	4 586	12 221	6 074	4 864	-	954	64 797	69 210	-
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Economic and Social Development & Tourism	-	-	-	-	-	-	-	-	6 591	15 000	10 000	26 648	58 239	39 770	55 213
Vote 7 - Infrastructure & Planning	-	-	-	-	-	-	-	3	125	-	-	373	500	-	-
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	3 056	3 622	10 696	16 808	1 916	4 586	12 224	12 790	19 864	10 000	27 975	123 536	108 980	55 213
Single-year expenditure to be appropriated															
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	1 027	-	-	1 027	-	-	1 027	-	-	1 007	4 086	-	-
Vote 4 - Finance	3	3	3	3	3	3	-	3	3	3	-	8	30	-	-
Vote 5 - Community Services	-	-	7 706	-	-	7 706	-	-	7 706	-	15 978	13 308	52 403	14 800	82 036
Vote 6 - Economic and Social Development & Tourism	-	-	1 406	-	-	1 406	-	-	1 406	-	-	1 406	5 625	-	-
Vote 7 - Infrastructure & Planning	-	-	275	-	-	275	-	-	275	-	-	275	1 100	9 750	-
Vote 8 - Protection Services	-	-	1 754	-	-	1 754	-	-	1 754	-	-	2 174	7 436	500	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	3	3	12 170	3	3	12 170	-	3	12 170	3	15 978	18 198	70 701	25 050	82 036
Total Capital Expenditure	3	3 058	15 792	10 698	16 810	14 086	4 586	12 226	24 960	19 866	25 978	46 173	194 237	134 030	137 249



WC032 Overstrand - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Capital Expenditure - Functional	<b>Governance and administration</b>																
	Executive and council	-	-	-	-	-	-	-	-	-	-	-	6 331	6 331	20 000	20 000	
	Finance and administration												20	20	-	-	
	Internal audit												6 311	6 311	20 000	20 000	
	<b>Community and public safety</b>												-	-	-	-	
	Community and social services	-	-	-	-	-	-	-	-	-	-	-	57 710	57 710	38 480	37 813	
	Sport and recreation												4 999	4 999	3 500	2 500	
	Public safety												8 057	8 057	5 000	1 500	
	Housing												9 186	9 186	500	-	
	Health												35 467	35 467	29 480	33 813	
	<b>Economic and environmental services</b>												-	-	-	-	
	Planning and development	-	-	-	-	-	-	-	-	-	-	-	18 821	18 821	4 000	2 000	
	Road transport												5 725	5 725	-	-	
	Environmental protection												13 096	13 096	4 000	2 000	
	<b>Trading services</b>												-	-	-	-	
	Energy sources	-	-	-	-	-	-	-	-	-	-	-	111 375	111 375	71 550	77 436	
	Water management												24 772	24 772	20 040	21 400	
	Waste water management												30 077	30 077	32 072	32 075	
	Waste management												54 987	54 987	19 438	23 961	
	Other	3	3 058	15 792	10 698	16 810	14 086	4 586	12 226	24 960	19 866	25 978	(148 064)	-	-	-	-
Total Capital Expenditure - Functional		3	3 058	15 792	10 698	16 810	14 086	4 586	12 226	24 960	19 866	25 978	194 237	134 030	137 249		
Funded by:	National Government				2 878	2 878	2 878	2 878	2 878	2 878	2 878	2 878	2 878	25 901	29 050	29 436	
	Provincial Government			3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	36 067	29 480	33 813	
	District Municipality												-	-	-	-	
	Other transfers and grants											100	100	-	-	-	
	Transfers recognised - capital																
	Public contributions & donations																
	Borrowing		2 250	6 241	6 241	6 241	6 241	6 241	6 241	6 241	6 241	6 241	10 232	68 650	54 000	54 000	
	Internally generated funds	3	808	5 944	(2 027)	4 085	1 360	(8 139)	(499)	12 234	7 141	13 253	29 357	63 519	21 500	20 000	
	Total Capital Funding	3	3 058	15 792	10 698	16 810	14 086	4 586	12 226	24 960	19 866	25 978	46 173	194 237	134 030	137 249	



WC002 Overstrand - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
<b>Cash Receipts By Source</b>															
Property rates	19 183	19 183	19 183	19 183	19 183	20 817	19 183	19 183	19 183	19 183	19 183	20 812	233 454	247 086	263 832
Service charges - electricity revenue	30 276	30 276	30 276	30 276	30 276	30 281	30 276	30 276	30 276	30 276	30 276	27 355	360 401	361 400	407 218
Service charges - water revenue	9 668	9 668	9 668	9 668	9 668	9 669	9 668	9 668	9 668	9 668	9 668	9 667	116 013	122 754	131 042
Service charges - sanitation revenue	6 057	6 057	6 057	6 057	6 057	6 058	6 057	6 057	6 057	6 057	6 057	6 056	72 683	76 927	82 141
Service charges - refuse revenue	5 049	5 049	5 049	5 049	5 049	5 050	5 049	5 049	5 049	5 049	5 049	5 049	60 589	64 127	68 473
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	300	300	312	300	300	317	300	300	312	300	300	317	3 655	3 655	4 124
Interest earned - external investments	1 333	1 333	1 333	1 333	1 333	1 334	1 333	1 333	1 333	1 333	1 333	6 334	21 001	21 001	21 001
Interest earned - outstanding debtors	308	308	308	308	308	308	308	308	308	308	308	308	3 700	3 922	4 157
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 011	1 011	1 021	1 011	1 011	1 021	1 011	1 011	1 021	1 011	1 011	1 022	12 173	14 288	16 489
Licences and permits	198	198	209	198	198	221	198	198	198	198	198	221	2 447	2 447	2 749
Agency services	308	308	315	308	308	315	308	308	315	308	308	315	3 726	3 970	4 187
Transfer receipts - operational	846	846	28 387	846	846	28 387	846	846	28 387	846	846	38 638	130 596	167 058	182 087
Other revenue	2 488	2 488	2 934	2 488	2 488	3 186	2 488	2 488	2 934	2 488	2 488	5 355	34 316	28 595	25 173
<b>Cash Receipts by Source</b>	<b>77 026</b>	<b>77 026</b>	<b>105 062</b>	<b>77 026</b>	<b>77 026</b>	<b>106 964</b>	<b>77 026</b>	<b>77 026</b>	<b>105 062</b>	<b>77 026</b>	<b>77 026</b>	<b>121 448</b>	<b>1 054 725</b>	<b>1 137 588</b>	<b>1 183 674</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	-	-	11 215	-	-	11 215	-	-	11 215	-	-	28 324	61 968	58 530	63 249
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departments/ Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/ refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	328	328	328	328	328	328	328	328	328	328	328	328	54 000	54 000	54 000
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	3 837	4 252	3 444
Decrease (increase) other non-current receivables	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
Decrease (increase) in non-current investments	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(594)	(7 124)	(7 339)	(7 575)
<b>Total Cash Receipts by Source</b>	<b>76 761</b>	<b>76 761</b>	<b>116 002</b>	<b>76 761</b>	<b>76 761</b>	<b>117 914</b>	<b>76 761</b>	<b>76 761</b>	<b>116 002</b>	<b>76 761</b>	<b>76 761</b>	<b>149 908</b>	<b>1 167 516</b>	<b>1 247 021</b>	<b>1 308 789</b>
<b>Cash Payments by Type</b>															
Employee related costs	28 143	28 143	28 143	28 143	28 143	28 143	28 143	28 143	28 143	28 143	28 143	34 078	354 654	375 944	407 956
Remuneration of councillors	914	914	914	914	914	914	914	914	914	914	914	914	11 518	11 518	12 091
Finance charges	-	-	-	-	-	23 917	-	-	-	-	-	23 917	47 834	50 433	52 084
Bulk purchases - Electricity	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	19 357	25 657	238 588	255 610	273 858
Bulk purchases - Water & Sewer	2 446	2 446	9 408	2 446	2 441	9 432	2 446	2 441	9 408	2 446	2 441	9 803	57 602	89 068	74 195
Other materials	12 400	12 400	16 413	12 400	12 400	30 976	12 400	12 400	16 429	12 400	12 400	30 618	193 637	213 119	214 880
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - capital	42	42	42	42	42	42	42	42	42	42	42	42	500	276	292
Transfers and grants - operational	3 702	2 359	3 083	2 359	2 359	3 128	2 359	2 359	3 084	2 807	2 359	7 758	37 715	67 932	94 543
Other expenditure	68 005	66 657	78 382	66 662	66 657	116 910	66 662	66 657	78 378	67 110	66 657	132 788	941 503	1 063 553	1 129 977
<b>Cash Payments by Type</b>	<b>68 005</b>	<b>66 657</b>	<b>78 382</b>	<b>66 662</b>	<b>66 657</b>	<b>116 910</b>	<b>66 662</b>	<b>66 657</b>	<b>78 378</b>	<b>67 110</b>	<b>66 657</b>	<b>132 788</b>	<b>941 503</b>	<b>1 063 553</b>	<b>1 129 977</b>
<b>Other Cash Flows by Type</b>															
Capital assets	3	3 058	15 782	10 688	16 810	14 086	4 586	12 226	24 960	19 866	25 978	46 173	194 237	134 030	137 249
Repayment of borrowings	1 451	1 050	949	6 626	1 360	4 808	1 515	1 129	1 011	7 009	1 439	5 646	33 993	38 428	41 636
Other Cash Flows by Type	69 459	70 765	95 103	83 986	84 827	135 804	72 764	80 012	104 348	93 984	94 074	184 607	1 169 733	1 236 612	1 308 862
<b>Total Cash Payments by Type</b>	<b>7 302</b>	<b>5 996</b>	<b>20 899</b>	<b>(7 225)</b>	<b>(8 066)</b>	<b>38 110</b>	<b>3 997</b>	<b>(3 250)</b>	<b>11 654</b>	<b>(17 223)</b>	<b>(17 313)</b>	<b>(35 100)</b>	<b>(2 217)</b>	<b>11 009</b>	<b>(2 063)</b>
<b>NET INCREASE/DECREASE OF CASH HELD</b>	<b>382 460</b>	<b>389 762</b>	<b>385 758</b>	<b>416 658</b>	<b>409 433</b>	<b>401 367</b>	<b>437 477</b>	<b>441 474</b>	<b>438 224</b>	<b>449 878</b>	<b>432 654</b>	<b>415 342</b>	<b>382 400</b>	<b>380 242</b>	<b>391 251</b>
Cash/cash equivalents at the month/year begin	389 762	385 758	416 658	409 433	401 367	437 477	441 474	438 224	449 878	432 654	415 342	380 242	380 242	381 251	389 198
Cash/cash equivalents at the month/year end															

OVERSTRAND MUNICIPALITY  
23 MAY 2018  
CASH FLOWS STATEMENT



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R million</b>									
<b>Financial Performance</b>									
Property rates									
Service charges									
Investment revenue									
Transfers recognised - operational									
Other own revenue									
Contributions recognised - capital & contributed assets									
<b>Total Revenue (excluding capital transfers and contri</b>	-	-	-	-	-	-	-	-	-
Employee costs									
Remuneration of Board Members									
Depreciation & asset impairment									
Finance charges									
Materials and bulk purchases									
Transfers and grants									
Other expenditure									
<b>Total Expenditure</b>	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - operational									
Public contributions & donations									
Borrowing									
Internally generated funds									
<b>Total sources</b>	-	-	-	-	-	-	-	-	-
<b>Financial position</b>									
Total current assets									
Total non current assets									
Total current liabilities									
Total non current liabilities									
Equity									
<b>Cash flows</b>									
Net cash from (used) operating									
Net cash from (used) investing									
Net cash from (used) financing									
<b>Cash/cash equivalents at the year end</b>									



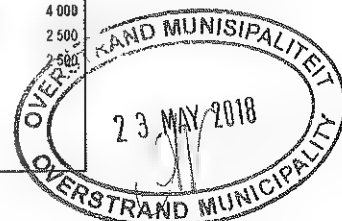
External mechanism  Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Outsourcing of sub function solid waste recovery : Overstrand Municipality	Mths	107	Outsourcing of sub function solid waste recovery	30 October 2022	13 309
Outsourcing of sub function solid waste : Overstrand Municipality	Mths	107	Outsourcing of sub function solid waste	30 November 2018	22 200
Outsourcing of sub function water and waste water treatment : Overstrand Municipality	Yrs	15	Outsourcing of sub function water and waste water treatment	31 October 2030	830 057
Note: Overstrand make use of contractual agreements to support the implementation of core function, but the definition of outsourcing do not apply to the other contracts entered into, due to ownership that is kept within the organisation					



Description	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
			Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>	<b>Total</b>												
<b>Parent Municipality</b>													
<b>Revenue Obligation By Contract</b>													
Contract 1													
Contract 2													
Contract 3 etc													
<b>Total Operating Revenue Implication</b>													
<b>Expenditure Obligation By Contract</b>													
Contract 1 SC1508/2014 Water and waste water treatment operations		38 233	40 961	42 310	45 537	48 724	52 135	55 837	59 801	64 047	68 594	73 533	589 711
Contract 2													
Contract 3 etc													
<b>Total Operating Expenditure Implication</b>		38 233	40 961	42 310	45 537	48 724	52 135	55 837	59 801	64 047	68 594	73 533	589 711
<b>Capital Expenditure Obligation By Contract</b>													
Contract 1													
Contract 2													
Contract 3 etc													
<b>Total Capital Expenditure Implication</b>													
<b>Total Parent Expenditure Implication</b>		38 233	40 961	42 310	45 537	48 724	52 135	55 837	59 801	64 047	68 594	73 533	589 711
<b>Entities:</b>													
<b>Revenue Obligation By Contract</b>													
Contract 1													
Contract 2													
Contract 3 etc													
<b>Total Operating Revenue Implication</b>													
<b>Expenditure Obligation By Contract</b>													
Contract 1													
Contract 2													
Contract 3 etc													
<b>Total Operating Expenditure Implication</b>													
<b>Capital Expenditure Obligation By Contract</b>													
Contract 1													
Contract 2													
Contract 3 etc													
<b>Total Capital Expenditure Implication</b>													
<b>Total Entity Expenditure Implication</b>													



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>63 670</b>	<b>44 603</b>	<b>52 681</b>	<b>28 285</b>	<b>28 238</b>	<b>28 238</b>	<b>112 050</b>	<b>75 550</b>	<b>79 436</b>
Roads Infrastructure	1 320	16 352	2 260	5 155	11 691	11 691	12 506	4 000	2 000
Roads	1 320	16 352	2 260	5 155	11 691	11 691	12 506	4 000	2 000
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure				250	280	280	11 723	2 038	4 000
Drainage Collection				250	280	280			
Storm water Conveyance							11 723	2 038	4 000
Attenuation									
Electrical Infrastructure	10 581	18 237	30 496	18 790	15 520	15 520	22 772	20 040	21 400
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	10 581	18 237	30 496						
MV Substations				3 000	3 000	3 000	5 622	8 040	21 400
MV Switching Stations									
MV Networks							17 150	12 000	
LV Networks				15 790	12 520	12 520			
Capital Spares									
Water Supply Infrastructure	470	3 772	5 276	3 900	637	637	30 077	32 072	32 075
Dams and Weirs									
Boreholes									
Reservoirs				3 900	637	637	16 363	10 472	18 075
Pump Stations									
Water Treatment Works	470	3 772	5 276				10 200	19 600	14 000
Bulk Mains									
Distribution							3 514	2 000	
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	8 833	6 217	5 718	-	-	-	34 973	17 400	19 981
Pump Station							1 925		
Reticulation							435		
Waste Water Treatment Works	8 833	6 217	5 718				21 062	1 400	
Sanitary Sewers							11 550	16 000	19 981
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	42 473	25	8 930	110	110	110	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points	42 473	25	8 930	110	110	110			
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	<b>5 258</b>	<b>29 837</b>	<b>2 212</b>	<b>6 545</b>	<b>9 829</b>	<b>9 829</b>	<b>24 037</b>	<b>9 000</b>	<b>4 000</b>
Community Facilities	5 258	29 837	2 212	4 579	3 380	3 380	16 380	4 000	2 500
Halls	5 258	29 837	2 212	421	445	445	3 664	2 500	2 500
Centres									
Crèches				100	100	100	245		
Clinics/Care Centres									
Fire/Ambulance Stations				3 798	2 575	2 575	5 576	500	



Testing Stations				190					
Museums									
Galleries									
Theatres									
Libraries							600		
Cemeteries/Crematoria				260	260	260	570	1 000	
Police									
Parks									
Public Open Space							5 725		
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	1 965	6 449	6 449	7 657	5 000	1 500
Indoor Facilities									
Outdoor Facilities				1 965	6 449	6 449	7 657	5 000	1 500
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	8 230	4 809	2 497	17 186	37 890	37 890	36 888	29 480	33 813
Operational Buildings	8 239	4 809	2 497	-	-	-	1 421	-	-
Municipal Offices	8 239	4 809	2 497				1 421		
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	17 186	37 890	37 890	35 467	29 480	33 813
Staff Housing									
Social Housing				17 186	37 890	37 890	35 467	29 480	33 813
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	-	-	-	1 620	1 620	1 620	4 136	-	-
Computer Equipment				1 620	1 620	1 620	4 136		
<b>Furniture and Office Equipment</b>	-	-	-	120	120	120	215	-	-
Furniture and Office Equipment				120	120	120	215		
<b>Machinery and Equipment</b>	-	-	-	-	570	570	1 566	-	-
Machinery and Equipment					570	570	1 566		
<b>Transport Assets</b>	-	-	-	950	600	600	15 345	20 000	20 000
Transport Assets				950	600	600	15 345	20 000	20 000
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
<b>Total Capital Expenditure on new assets</b>	77 176	79 249	57 389	54 626	78 867	78 867	194 237	134 030	137 249

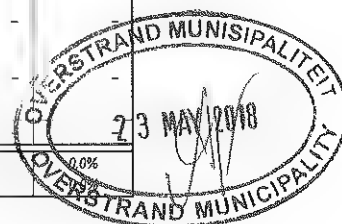


WC032 Overstrand - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	31 161	12 992	33 214	11 280	7 713	7 713	-	-	-
Roads Infrastructure	6 300	-	11 000	2 080	2 080	2 080	-	-	-
Roads	6 300	-	11 000	2 080	2 080	2 080	-	-	-
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	3 100	-	-	1 000	1 000	1 000			-
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	3 100								
MV Substations									
MV Switching Stations									
MV Networks				1 000	1 000	1 000			
LV Networks									
Capital Spares									
Water Supply Infrastructure	15 805	10 460	10 496	900	900	900	-	-	-
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works	15 805	10 460	10 496	900	900	900			
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	3 067	2 531	9 169	5 800	2 263	2 263	-	-	-
Pump Station									
Reticulation									
Waste Water Treatment Works	3 067	2 531	9 169		2 263	2 263			
Sanitary Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	2 889	-	1 740	1 500	1 470	1 470	-	-	-
Landfill Sites									
Waste Transfer Stations	2 889		1 740	1 500	1 470	1 470			
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	1 565	2 893	1 265	-	-	-	-	-	-
Community Facilities	1 565	2 893	1 265	-	-	-	-	-	-
Halls	1 565	2 893	1 265						
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									



Testing Stations				192					
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets									
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>32 727</b>	<b>15 884</b>	<b>34 479</b>	<b>11 280</b>	<b>7 713</b>	<b>7 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Renewal of Existing Assets as % of total capex</b>	<b>0.0%</b>	<b>16.7%</b>	<b>37.5%</b>	<b>11.6%</b>	<b>6.6%</b>	<b>6.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>	<b>26.7%</b>	<b>12.9%</b>	<b>26.0%</b>	<b>8.7%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	136 009	90 836	110 392	132 746	139 160	130 160	149 690	161 198	170 275
Roads Infrastructure	80 328	45 521	55 545	84 747	84 747	84 747	63 374	66 506	69 598
Roads	80 328	45 521	55 545	84 747	84 747	84 747	63 374	66 506	69 598
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	5 398	5 260	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Drainage Collection									
Storm water Conveyance	5 398	5 260	6 392	6 168	6 168	6 168	6 786	7 979	8 452
Attenuation									
Electrical Infrastructure	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 098	26 511
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	26 276	16 972	17 747	18 903	18 970	18 970	23 747	25 098	26 511
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure	25 811	18 056	18 100	17 549	17 549	17 549	19 104	20 599	21 717
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works	25 811	18 056	18 100	17 549	17 549	17 549	19 104	20 599	21 717
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	16 060	11 512	11 672	16 500	16 525	16 525	13 642	14 533	15 378
Pump Station									
Reticulation									
Waste Water Treatment Works	16 060	11 512	11 672	16 500	16 525	16 525	13 642	14 533	15 378
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
Landfill Sites									
Waste Transfer Stations	2 136	2 516	2 546	8 879	15 201	15 201	23 038	26 484	28 619
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	7 338	-	1 107	10 549	13 798	13 798	41 017	43 625	45 700
Community Facilities	6 601	-	1 107	5 895	7 327	7 327	27 714	29 889	31 482
Halls	1 106			2 523	2 718	2 718	3 712	4 029	4 282
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations	1 352								





Testing Stations				194					
Museums									
Galleries									
Theatres									
Libraries	107			205	205	205	24	25	26
Cemeteries/Crematoria	74			57	57	57	842	901	954
Police	829								
Parks									
Public Open Space	314	4 167		3 110	4 167	4 347	23 136	24 714	25 989
Nature Reserves									
Public Ablution Facilities	2 759								
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	737	-	-	4 654	6 471	6 471	13 304	13 956	14 466
Indoor Facilities									
Outdoor Facilities	737			4 654	6 471	6 471	13 304	13 956	14 466
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	10 287	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Operational Buildings	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Municipal Offices	10 110	9 541	-	6 942	9 202	9 202	12 497	11 283	11 869
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Trucks									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	177	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing	177								
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	4 392	-	5 536	5 787	5 787	5 787	5 387	5 937	5 964
Computer Equipment	4 392		5 536	5 787	5 787	5 787	5 387	5 937	5 964
<b>Furniture and Office Equipment</b>	-	-	-	13 663	23 288	23 288	16 622	17 468	18 310
Furniture and Office Equipment				13 663	23 288	23 288	16 622	17 468	18 310
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets									
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
<b>Total Repairs and Maintenance Expenditure</b>	158 026	169 377	120 795	169 284	191 235	191 235	225 212	239 512	252 118
<b>R&amp;M as a % of PPE</b>	4.4%	3.1%	3.4%	4.4%	5.0%	5.5%	0.0%	6.7%	7.0%
<b>R&amp;M as % Operating Expenditure</b>	17.1%	11.7%	11.5%	16.7%	18.2%	18.2%	0.0%	21.1%	21.1%



Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	106 949	106 893	115 224	112 337	112 337	112 337	112 443	109 997	109 303
Roads Infrastructure	31 182	31 216	31 811	36 600	36 600	36 600	32 858	32 855	32 473
Roads	31 182	31 216	31 811	36 600	36 600	36 600	32 858	32 855	32 473
Road Structures									
Road Furniture									
Capital Spares									
Storm water infrastructure	5 390	5 500	5 741	3 465	3 465	3 465	5 912	5 912	5 906
Drainage Collection									
Storm water Conveyance	5 390	5 500	5 741	3 465	3 465	3 465	5 912	5 912	5 906
Attenuation									
Electrical Infrastructure	26 096	24 084	27 997	25 118	25 118	25 118	25 149	25 149	25 149
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	26 096	24 084	27 997	25 118	25 118	25 118	25 149	25 149	25 149
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure	26 612	26 570	27 118	27 354	27 354	27 354	27 462	27 443	27 253
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works	26 612	26 570	26 338	11 590	11 598	11 598	27 462	27 443	27 253
Bulk Mains									
Distribution				15 756	15 756	15 756			
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	15 477	15 609	17 631	15 886	15 886	15 886	16 299	16 410	16 344
Pump Station									
Reticulation	15 477	15 609	17 631	12 467	12 467	12 467	16 299	16 410	16 344
Waste Water Treatment Works				3 419	3 419	3 419			
Waste Water Distribution									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	2 192	3 915	3 709	3 915	3 915	3 915	4 763	2 229	2 178
Landfill Sites									
Waste Transfer Stations	2 192	3 915	3 709	3 915	3 915	3 915	4 763	2 229	2 178
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
<b>Community Assets</b>	-	-	2 452	766	766	766	3 029	3 029	3 017
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									



Testing Stations				196					
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	2 452	766	766	766	3 029	3 029	3 017
Indoor Facilities									
Outdoor Facilities			2 452	766	766	766	3 029	3 029	3 017
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
Operational Buildings	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
Municipal Offices	10 422	10 489	8 201	11 067	11 067	11 067	8 818	8 998	9 022
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
<b>Buildings</b>									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	404	214	448	615	615	615	653	891	-
Servitudes									
Licences and Rights	404	214	448	615	615	615	653	891	-
Water Rights									
Effluent Licences									
Solid Waste Licences									
Computer Software and Applications	404	214	448	615	615	615	653	891	-
Local Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	-		1 416	788	788	788	1 347	1 243	1 065
Computer Equipment			1 416	788	788	788	1 347	1 243	1 065
<b>Furniture and Office Equipment</b>	2 019	2 176	904	4 035	4 035	4 035	609	1 317	2 252
Furniture and Office Equipment	2 019	2 176	904	4 035	4 035	4 035	609	1 317	2 252
<b>Machinery and Equipment</b>	1 122	781	694	-	-	-	687	652	531
Machinery and Equipment	1 122	781	694	-	-	-	687	652	531
<b>Transport Assets</b>	1 643	2 356	3 122	678	678	678	2 777	2 750	2 710
Transport Assets	1 643	2 356	3 122	678	678	678	2 777	2 750	2 710
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
<b>Total Depreciation</b>	122 559	122 909	132 463	130 287	130 287	130 287	130 362	128 876	127 892



## WC032 Overstrand - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	-	-	28 505	28 060	28 060	-	-	-
Roads Infrastructure	-	-	-	180	180	180	-	-	-
Roads	-	-	-	180	180	180	-	-	-
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	6 800	8 355	8 355	-	-	-
Drainage Collection	-	-	-	6 800	8 355	8 355	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	4 500	2 500	2 500	-	-	-
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	4 500	2 500	2 500	-	-	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	17 025	17 025	17 025	-	-	-
Pump Station	-	-	-	5 000	5 000	5 000	-	-	-
Reticulation	-	-	-	3 100	3 100	3 100	-	-	-
Waste Water Treatment Works	-	-	-	8 585	8 585	8 585	-	-	-
Outfall Sewers	-	-	-	340	340	340	-	-	-
Toilet Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines	-	-	-	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Seal Pumps	-	-	-	-	-	-	-	-	-
Piers	-	-	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	-	-	-	3 177	1 920	1 920	-	-	-
Community Facilities	-	-	-	2 877	1 920	1 920	-	-	-
Halls	-	-	-	-	200	200	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Creches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	50	50	50	-	-	-



Testing Stations				198					
Museums									
Galleries									
Theatres									
Libraries				1 132	1 670	1 670			
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	-	300	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities				300					
Capital Spares									
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
<b>Other assets</b>	-	-	-	60	60	60	-	-	-
Operational Buildings	-	-	-	60	60	60	-	-	-
Municipal Offices				60	60	60			
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
<del>Warehouses</del>									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights									
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Local Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets									
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land									
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non biological Animals									
<b>Total Capital Expenditure on upgrading of existing assets</b>	-	-	-	31 742	30 040	30 040	-	-	-
<b>Upgrading of Existing Assets as % of total capex</b>	0.0%	0.0%	0.0%	32.6%	25.8%	25.8%	0.0%	0.0%	0.0%
<b>Upgrading of Existing Assets as % of deprecn"</b>	0.0%	0.0%	0.0%	24.4%	23.1%	23.1%	0.0%	0.0%	0.0%



## WC032 Overstrand - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
<b>Capital expenditure</b>							
Vote 1 - Council	20	-	-				
Vote 2 - Municipal Manager	-	-	-				
Vote 3 - Management Services	4 086	-	-				
Vote 4 - Finance	30	-	-				
Vote 5 - Community Services	117 201	84 010	82 036				
Vote 6 - Economic and Social Development & Tourism	5 625	-	-				
Vote 7 - Infrastructure & Planning	59 339	49 520	55 213				
Vote 8 - Protection Services	7 936	500	-				
<b>Total Capital Expenditure</b>	<b>194 237</b>	<b>134 030</b>	<b>137 249</b>	-	-	-	-
<b>Future operational costs by vote</b>							
Vote 1 - Council							
Vote 2 - Municipal Manager							
Vote 3 - Management Services							
Vote 4 - Finance							
Vote 5 - Community Services		2 764	6 758	11 491	12 025	12 560	156 330
Vote 6 - Economic and Social Development & Tourism							
Vote 7 - Infrastructure & Planning		4 725	9 534	17 011	17 802	18 594	231 431
Vote 8 - Protection Services							
<b>Total future operational costs</b>	-	7 489	16 291	28 502	29 828	31 153	387 761
<b>Future revenue by source</b>							
Property rates							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
List other revenues sources if applicable							
List entity summary if applicable							
<b>Total future revenue</b>	-	-	-	-	-	-	-
<b>Net Financial Implications</b>	<b>194 237</b>	<b>141 519</b>	<b>153 540</b>	<b>28 502</b>	<b>29 828</b>	<b>31 153</b>	<b>387 761</b>



## WC032 Overstrand - Supporting Table SA36 Detailed capital budget

Function	Project Number	Project Description	Type	MTEF Service Outcome	UDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	2016/19 Medium Term Revenue & Expenditure Framework	
														Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality List all capital projects grouped by Function <b>EXECUTIVE &amp; COUNCIL</b>															
		<b>FINANCE AND ADMINISTRATION</b>													
		ICT PABX TELEPHONE DEVICES	New	9	4	1	Furniture and Office Equipment	Other	Overstrand	Overstrand wide	Overstrand wide	72	2 355	20	
		ICT W-LAN PROJECTS TO SEE THE VIABILITY OF OFFERING SERVICES TO THE COMMUNITY	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide	885	1 500	1 500	
		ICT MANAGEMENT ENGINE LICENSES	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide		250	250	
		ICT DISK STORAGE	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide		1 000	1 000	
		ICT REMOTE MANAGER FOR WORKFORCE CENTRAL LICENSES	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide		16	16	
		ICT REPAIR HOSTING SERVICES	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide		800	800	
		MINOR ASSETS-FINANCE	New	9	4	1	Furniture and Office Equipment	Other	Overstrand	Overstrand wide	Overstrand wide		30	30	
		MINOR ASSETS-MANAGEMENT SERVICES	New	9	4	1	Furniture and Office Equipment	Other	Overstrand	Overstrand wide	Overstrand wide		20	20	
<b>PUBLIC SAFETY</b>		MINOR ASSETS-CT-ORGANIZATION WIDE	New	9	4	1	Information and Communication	Other	Overstrand	Overstrand wide	Overstrand wide		300	300	
		VEHICLES-FINANCE & ADMINISTRATION	New	9	4	1	Transport Assets	Other	Overstrand	Overstrand wide	Overstrand wide		1 700	1 700	
		VEHICLES-OPERATIONAL MANAGERS/TANFORD	New	9	4	1	Transport Assets	Other	Overstrand	Overstrand wide	Overstrand wide		365	365	
		SAFETY FENCE OFFICE BUILDING	New	9	4	1	Community Facilities	Public Open Space	19351,-34569	19351,-34569	19351,-34569		100	100	
		SURPLUS	New	9	4	1	Community Facilities	Public Open Space	19351,-34569	19351,-34569	19351,-34569		100	100	
		LAW ENFORCEMENT FACILITIES: ALTERATIONS AND ADDITIONS	New	3	4	4	Operational Buildings	Municipal Offices	Ward 04	-34,402 19,211	-34,402 19,211	958	3 195	1 421	20 000
		JAWS OF LIFE	New	3	4	4	Machinery and Equipment	Other	Overstrand	Overstrand wide	Overstrand wide		2 460	800	
		UPGRADING OF FACILITIES - FIRE SERVICES BUILDING	New	3	4	4	Operational Buildings	Municipal Offices	Overstrand	19,225 -34,420	19,225 -34,420		316	316	
		MINOR ASSETS-PROTECTION SERVICES	New	3	4	4	Machinery and Equipment	Other	Overstrand	Overstrand wide	Overstrand wide		100	100	
		CCTV CAMERAS	New	3	4	4	Community Facilities	Police	Ward 05	34,430° S, 19,2148° E	34,430° S, 19,2148° E		120	120	
<b>PLANNING &amp; DEVELOPMENT</b>		CCTV SECURITY - ENTRANCE TO FISHERHAVEN & SLIPWAY	New	3	4	4	Community Facilities	Police	Ward 08	34,384° S, 19,1315° E	34,384° S, 19,1315° E		50	50	
		SAFETY CAMERAS AT ENTRANCES OF TOWN	New	3	4	4	Community Facilities	Police	Ward 09	19,0205° E 34,2023° S	19,0205° E 34,2023° S		3 200	500	
		SAFETY CAMERAS AT ENTRANCES - HANGULIP AREA	New	3	4	4	Community Facilities	Police	Ward 10	18°58'03"E 34°21'28.3"S	18°58'03"E 34°21'28.3"S		100	100	
		CCTV CAMERAS	New	3	4	4	Transport Assets	Other	Overstrand	19448,-34453	19448,-34453		3 200	500	
		VEHICLES-PUBLIC SAFETY	New	3	4	4	Community Facilities	Police	Overstrand	Overstrand wide	Overstrand wide		45	45	
		CCTV CAMERAS	New	3	4	4	Community Facilities	Police	Overstrand	Overstrand wide	Overstrand wide		1 540	500	
		MINOR ASSETS-LED	New	9	2	5	Furniture and Office Equipment	Other	Overstrand	Overstrand	Overstrand		25	25	
		HAWSTON INDUSTRIAL(BUSINESS) HUB	New	9	2	5	Community Facilities	Public Open Space	Ward 08	19,134 -34,396	19,134 -34,396		5 000	5 000	
		VEHICLES-PLANNING & DEVELOPMENT	New	9	2	5	Transport Assets	Other	Overstrand	Overstrand	Overstrand		100	100	
		MINOR ASSETS- INFRASTRUCTURE & PLANNING	New	9	2	5	Furniture and Office Equipment	Other	Overstrand	Overstrand	Overstrand		2 875	2 500	2 500
<b>COMMUNITY AND SOCIAL SERVICES</b>		EXTENS ON OF THUSONG CENTRE	New	9	2	3	Community Facilities	Halls	Ward 08	-34,392 19,135 Degrees	-34,392 19,135 Degrees		1 295	1 295	
		FENCING OF THUSONG CENTRE	New	9	2	3	Community Facilities	Police	Ward 08	19°13'40"E 34°39'20"S	19°13'40"E 34°39'20"S		1 988	1 988	
		FENCING OF HAWSTON CAMPING SITE	New	9	2	3	Community Facilities	Police	Ward 08	19°12'70"E 34°39'70"S	19°12'70"E 34°39'70"S		473	473	
		MINOR ASSETS-COMMUNITY SERVICES	New	9	2	3	Machinery and Equipment	Other	Overstrand	Overstrand	Overstrand		100	100	
		EARLY CHILDHOOD DEVELOPMENT-STRUCTURES	New	9	2	3	Community Facilities	Cheques	Ward 02	19349, 34596	19349, 34596		70	70	
		CEMETERY	New	9	2	3	Community Facilities	Crematorium	Ward 02	19349, 34596	19349, 34596		65	65	
		UPGRADING OF BUFFELAGSBAAI CRECHE	New	9	2	3	Community Facilities	Crematorium	Ward 11	34°29'08.21"S 19°29'18.51"E	34°29'08.21"S 19°29'18.51"E		500	1 000	
		CEMETERY - KLEINMOND	New	9	2	3	Community Facilities	Crematorium	Ward 09	34°19'57.7"S 19°01'46.5"E	34°19'57.7"S 19°01'46.5"E		150	150	
		GANSBAAI LIBRARY UPGRADE	New	9	2	4	Community Facilities	Libraries	Multi-ward proj	19351,-34569	19351,-34569		420	420	
		ELKLOUWENI LIBRARY UPGRADE	New	9	2	4	Community Facilities	Libraries	Ward 11	19488, 34654	19488, 34654		30	30	
<b>LIBRARIES</b>		BETTY'S BAY LIBRARY UPGRADE	New	9	2	4	Community Facilities	Libraries	Ward 10	34°21'21.7"S -19°53'53.6"E	34°21'21.7"S -19°53'53.6"E		6 449	2 500	1 500
		ARTIFICAL TURF SOCCER FIELD	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 12	19°21'30"E 34°42'50"S	19°21'30"E 34°42'50"S		100	100	
		MINOR ASSETS-SPACES FOR SPORT	New	9	2	4	Machinery and Equipment	Other	Multi-ward proj	Overstrand	Overstrand		5 017	5 017	
		HERMANUS SPORTS COMPLEX PROJECT	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 03	34,408 19,244 Degrees	34,408 19,244 Degrees		80	80	
		PLAYPARKS	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 01	19358,-34592	19358,-34592		50	50	
		TIDAL POOL & PLAY PARK	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 02	19353,-34618	19353,-34618		150	150	
		FENCING OF LANCE STREET BASKETBALL COURT	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 06	19°21'50"E 34°43'10"S	19°21'50"E 34°43'10"S		40	40	
		ROOF- FOR ZWELIM BOXING GYM SAFETY GATES	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 06	19°21'50"E 34°43'20"S	19°21'50"E 34°43'20"S		60	60	
		PURCHASING OF PLAY PARK EQUIPMENT	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 06	19°21'00"E 34°43'10"S	19°21'00"E 34°43'10"S		100	100	
		INSTALLATION OF ASTRO TURF	New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 06	19°21'00"E 34°43'20"S	19°21'00"E 34°43'20"S				



CONSTRUCTION OF PLAY EQUIPMENT AND SITTING AREAS	9	2	4	Outdoor Facilities	Ward 08	19°17'00"E 34°42'20"S	19°17'00"E 34°42'20"S	60
UPGRADE OF PLAY PARK AT SJWAY	New	9	2	Sport and Recreation Facilities	Ward 08	19°17'00"E 34°42'20"S	19°17'00"E 34°42'20"S	10
UPGRADE HAMSTON SPORT GROUNDS PHASE 1	New	9	2	Sport and Recreation Facilities	Ward 08	19°17'00"E 34°42'20"S	19°17'00"E 34°42'20"S	1500
OUTDOOR TRIM GYM MAIN BEACH	New	9	2	Sport and Recreation Facilities	Ward 08	19°17'00"E 34°42'20"S	19°17'00"E 34°42'20"S	70
FENCING AT NETBALL COURT	New	9	2	Community Facilities	Ward 09	34°20'24.0"S 19°02'13.2"E	34°20'24.0"S 19°02'13.2"E	30
UPGRADE OF PUBLIC LAUNCHING SITE	New	9	2	Community Facilities	Ward 11	34°20'25.5"S 19°01'06.6"E	34°20'25.5"S 19°01'06.6"E	50
PURCHASING OF PLAY PARK EQUIPMENT LANDA, S YAZAMA STREET,	New	9	2	Outdoor Facilities	Ward 12	19°21'10"E 34°42'50"S	19°21'10"E 34°42'50"S	30
PURCHASING OF OUTDOOR GYM EQUIPMENT	New	9	2	Outdoor Facilities	Ward 12	19°20'30"E 34°42'00"S	19°20'30"E 34°42'00"S	20
PURCHASING OF CONTAINERS FOR CHANGING ROOMS AT JIKELEZA	New	9	2	Outdoor Facilities	Ward 12	19°21'30"E 34°42'50"S	19°21'30"E 34°42'50"S	70
CONSTRUCTION OF PLAY EQUIPMENT AND SITTING AREAS	New	9	2	Outdoor Facilities	Ward 12	19°20'30"E 34°42'00"S	19°20'30"E 34°42'00"S	80
INSTALLATION OF ASTRO TURF	New	9	2	Sport and Recreation Facilities	Ward 12	19°20'30"E 34°42'00"S	19°20'30"E 34°42'00"S	100
REDESIGN OF ONRUS BEACH AREA	New	9	2	Community Facilities	Ward 13	19°17'30"E 34°41'10"S	19°17'30"E 34°41'10"S	40
VEHICLES PARKS	New	9	2	Transport Assets	Overstrand	Overstrand	Overstrand	400
MASAKHANE	New	8	1	Housing	Ward 01	34°59'19.362	34°59'19.362	8 449
ZWELIMILE PROJECT TRANSIT CAMP (165)	New	8	1	Housing	Ward 06	34°42'51.216	34°42'51.216	14 085
ZWELIMILE PROJECT MANDELA SQUARE	New	8	1	Housing	Ward 06	34°42'51.216	34°42'51.216	8 408
ZWELIMILE TAMBO SQUARE PROJECT	New	8	1	Housing	Ward 05	34°42'51.216	34°42'51.216	1 484
STANFORD RD	New	8	1	Housing	Ward 11	34°44'19.448	34°44'19.448	4 887
BLOMPARK PROJECT	New	8	1	Housing	Ward 02	34°59'19.344	34°59'19.344	6 889
BEVERLY HILLS JISP	New	8	1	Housing	Ward 02	34°59'19.342	34°59'19.342	10 008
REHABILITATE ROADS - BLOMPARK	New	9	2	Roads	Ward 02	19°20'51"E 34°35'43"S	19°20'51"E 34°35'43"S	2 000
REHABILITATE ROADS - STANFORD	New	9	2	Roads	Ward 11	19°25'53"E 34°27'12"S	19°25'53"E 34°27'12"S	2 000
OBD REGENERATION PROGRAM	New	9	2	Roads	Ward 03	19°25'53"E 34°41'19"S	19°25'53"E 34°41'19"S	3 000
OBD REVITALISATION - HIGH STREET UPGRADE	New	9	2	Roads	Ward 01	19°24'40"E 34°41'19"S	19°24'40"E 34°41'19"S	200
NEW S DEWALKS	New	9	2	Roads	Ward 02	19°24'40"E 34°41'19"S	19°24'40"E 34°41'19"S	100
UPGRADE OF SIDEWALKS	New	9	2	Roads	Ward 02	19°24'40"E 34°41'19"S	19°24'40"E 34°41'19"S	100
WESTCOFF SPEED CALMING MEASURES	New	9	2	Roads	Ward 04	19°23'20"E 34°42'50"S	19°23'20"E 34°42'50"S	228
UPGRADING OUTSIDE BUS LETTE THERON FRONT AREA	New	9	2	Roads	Ward 04	19°23'10"E 34°42'20"S	19°23'10"E 34°42'20"S	50
SPEED CALMING MEASURES (ANGELIERDAHLA, MALVA, ORGEE)	New	9	2	Roads	Ward 04	19°21'70"E 34°42'00"S	19°21'70"E 34°42'00"S	75
SIDEWALKS HEIDE LUTYK, CHINA TOWN, DAH-JA, ANGELIER, ASTER	New	9	2	Roads	Ward 05	19°21'70"E 34°42'00"S	19°21'70"E 34°42'00"S	150
SPEED CALMING MEASURES SOBOKHANE STEVE BING	New	9	2	Roads	Ward 05	19°21'80"E 34°42'50"S	19°21'80"E 34°42'50"S	100
SIDE WALK MANGUKHANI	New	9	2	Roads	Ward 05	19°21'40"E 34°42'50"S	19°21'40"E 34°42'50"S	80
FENCING OF THE FOOTPATH (HELVINGK, COFF)	New	9	2	Roads	Ward 09	34°20'09.8"S 19°02'38.4"E	34°20'09.8"S 19°02'38.4"E	500
NEW STREETS, S DEWALKS & PARKING AREA	New	9	2	Roads	Ward 10	34°18'05.8"S 19°46'58.0"E	34°18'05.8"S 19°46'58.0"E	150
PAVING OF ANEMONIE ROAD IN RCO ELS	New	9	2	Roads	Ward 10	34°20'55.3"S 19°48'12.0"E	34°20'55.3"S 19°48'12.0"E	50
CONSTRUCTION OF SIDEWALK - PRINGLE BAY	New	9	2	Roads	Ward 07	19°20'40"E 34°42'00"S	19°20'40"E 34°42'00"S	2 000
TARRING OF ROADS - SANDBAAL	New	9	2	Roads	Ward 11	19°00'59.2"E 34°20'24.7"S	19°00'59.2"E 34°20'24.7"S	100
BUS SHELTER - PROTECTORP	New	9	2	Roads	Ward 11	19°00'59.2"E 34°20'24.7"S	19°00'59.2"E 34°20'24.7"S	50
TRAFFIC CALMING	New	9	2	Roads	Ward 11	19°00'59.2"E 34°20'24.7"S	19°00'59.2"E 34°20'24.7"S	30
TRAFFIC CALMING	New	9	2	Roads	Ward 11	19°00'59.2"E 34°20'24.7"S	19°00'59.2"E 34°20'24.7"S	30
ATLANTIC DRIVE WALKWAY	New	9	2	Roads	Ward 13	19°17'00"E 34°42'00"S	19°17'00"E 34°42'00"S	160
SIDEWALKS - DOUGLAS STREET	New	9	2	Roads	Ward 13	19°17'00"E 34°41'10"S	19°17'00"E 34°41'10"S	70
SIDEWALK ON THE WESTERN SIDE OF NEGESTER, ONRUS MAIN ROAD	New	9	2	Roads	Overstrand	Overstrand	Overstrand	500
VEHICLES ROADS	New	9	2	Roads	Overstrand	Overstrand	Overstrand	2 000
BLOMPARK HOUSING PROJECT BUS ROUTE	New	9	2	Roads	Ward 02	34°35'54.86"S 19°20'48.51"E	34°35'54.86"S 19°20'48.51"E	1 338
STANFORD HOUSING PROJECT BUS ROUTE	New	9	2	Roads	Ward 11	34°44'24.8 19 448281	34°44'24.8 19 448281	2 500
MASAKHANE HOUSING PROJECT BUS ROUTE	New	9	2	Roads	Ward 01	19°21'39"E 34°35'30"S	19°21'39"E 34°35'30"S	15 000
HAMSTON HOUSING PROJECT BUS ROUTE	New	9	2	Roads	Ward 06	34°38'57.99 19 139259	34°38'57.99 19 139259	6 400
FRANKAAL KLEINBAAL & BHCAD & BHCAD MVA/ & BHCAD UPGRADE	New	9	2	Electrical Infrastructure	Ward 01	19°36'59.1 34 603726	19°36'59.1 34 603726	2 500
STANFORD MVA UPGRADE	New	9	2	Electrical Infrastructure	Ward 01	19°36'59.1 34 603726	19°36'59.1 34 603726	1 000
ELECTRIFICATION OF JOHANNESBURG (NEP)	New	9	2	Electrical Infrastructure	Ward 04, 05, 06	34°23'13.07"S 19°08'18.23" 34°23'13.07"S 19°08'18.23" E	34°23'13.07"S 19°08'18.23" 34°23'13.07"S 19°08'18.23" E	4 262
STREET LIGHT HOBLO & HOBLO (OPPOSITE LIBRARY)	New	9	2	Electrical Infrastructure	Ward 05	34°23'38.77"S 19°12'56.60" 34°23'38.77"S 19°12'56.60" E	34°23'38.77"S 19°12'56.60" 34°23'38.77"S 19°12'56.60" E	250
CHRISTMAS LIGHTS	New	9	2	Electrical Infrastructure	Ward 06	34°23'38.07"S 19°12'56.60" 34°23'38.07"S 19°12'56.60" E	34°23'38.07"S 19°12'56.60" 34°23'38.07"S 19°12'56.60" E	10
NEW STREETLIGHTS	New	9	2	Electrical Infrastructure	Ward 08	34°23'09.17"S 19°08'07.33" 34°23'09.17"S 19°08'07.33" E	34°23'09.17"S 19°08'07.33" 34°23'09.17"S 19°08'07.33" E	30
VEHICLES ELECTRICITY	New	9	2	Transport Assets	Overstrand	Overstrand	Overstrand	30
HELMOND MVA & LV UPGRADE/REPLACEMENT	New	9	2	Electrical Infrastructure	Ward 03	34°24'13.34"S 19°07'07.01" 34°24'13.34"S 19°07'07.01" E	34°24'13.34"S 19°07'07.01" 34°24'13.34"S 19°07'07.01" E	2 000
HELMOND MVA & LV NETWORK UPGRADE	New	9	2	Electrical Infrastructure	Ward 03	34°24'13.34"S 19°07'07.01" 34°24'13.34"S 19°07'07.01" E	34°24'13.34"S 19°07'07.01" 34°24'13.34"S 19°07'07.01" E	1 750
HAMSTON MVA & LV UPGRADE/REPLACEMENT	New	9	2	Electrical Infrastructure	Ward 08	34°22'57.94"S 19°07'49.73" 34°22'57.94"S 19°07'49.73" E	34°22'57.94"S 19°07'49.73" 34°22'57.94"S 19°07'49.73" E	2 000
ELECTRICITY TRANSFORMERS (CAPITAL REPLACEMENT CONTINGENCY)	New	9	2	Electrical Infrastructure	Overstrand	Overstrand	Overstrand	1 000



VERSTRAND MUNICIPALITY  
23 MAY 2018  
VERSTRAND MUNICIPALITY

WC032 Overstrand - Supporting Table SA37 Projects delayed from previous financial years

R thousand	Function	Project name	Project number	Type	MTSF Outcome	MUD F	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality																		
List all capital projects grouped by Function																		
PUBLIC SAFETY	FACILITIES	JAW ENFORCEMENT FACILITIES ALTERATIONS AND ADDITIONS		New	3	4	4	Operational Buildings	Municipal Offices	Ward 04	34.402 19.211	34.402 19.211		1 500	500	1 421		
		HERMANUS MV & JV UPGRADE/REPLACEMENT		New	9	2	2	Electrical Infrastructure	MV Networks	Ward 03	34°24'13.34"S 18° 16' 07.01" E	34°24'13.34"S 18° 16' 07.01" E		4 550	1 000	3 650		
		NEW RESERVOIR FOR PRINGLE BAY		New	9	2	2	Water Supply Infrastructure	Reservoirs	Ward 10	S34.336437° / E19.006527°	S34.336437° / E19.006527°		3 810	547	3 263		
		JPGRAING OF KIDROOKE PIPELINE		New	9	2	2	Sanitation Infrastructure	Distribution	Ward 13	S34°24.810' / E19°10.001'	S34°24.810' / E19°10.001'		3 100	1 315	4 020		
		WWTW UPGRADE - STANFORD		New	9	2	2	Sanitation Infrastructure	Waste Water Treatment	Ward 11	S34.46248° / E19.448291°	S34.46248° / E19.448291°		4 152	2 400	8 442		
		HERMANUS SPORTS COMPLEX PROJECT		New	9	2	4	Sport and Recreation Facilities	Outdoor Facilities	Ward 03	34.408 19.244 Degrees	34.408 19.244 Degrees		600	400	5 017		
		VEH-CLES-OPERATIONAL MANAGER STANFORD		New	9	4	1	Transport Assets	Other	Overstrand	Overstrand wide	Overstrand wide		5 000	600	395		
		JPGRAING OF PUMPSTATIONS & RISING MAINS		New	9	2	2	Sanitation Infrastructure	Pump Stations	Overstrand	Overstrand	Overstrand			5 000	1 925		



R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUD F	Own Strategic Objectives	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			
								Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Parent municipality: List all operational projects grouped by Function													
Vote 1 - Council		Municipal Running Cost			9	4	1			32 918	34 587	37 100	
		Typical Work Streams : Functions and Events : Special Events and Functions		Work streams	9	4	1			130			
Vote 2 - Municipal Manager		Municipal Running Cost			9	4	1			5 385	5 616	5 851	
Vote 3 - Management Services		Corrective Maintenance : Emergency : Computer Equipment		Corrective Main	9	4	1			554	587	587	
		Corrective Maintenance : Planned : Furniture and Office Equipment		Corrective Main	9	4	1			6	9	9	
		Information and Communication Infrastructure : Data Centres : Buildings		Preventative M	9	4	1			38	39	40	
		Intangible Assets : Licences and Rights : Computer Software and Applications			9	4	1			4 219	4 485	4 726	
		Municipal Running Cost			9	4	1			46 404	48 794	50 846	
		Preventative Maintenance : Interval Based : Computer Equipment		Preventative M	9	4	1			576	646	610	
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	9	4	1			7	7	7	
		Typical Work Streams : Capacity Building Training and Development : Info		Work streams	9	4	1			3	3	3	
		Typical Work Streams : Capacity Building Training and Development : Lea		Work streams	9	4	1			1	1	1	
		Typical Work Streams : Capacity Building Training and Development : Wor		Work streams	9	4	1			2 018	2 018	2 018	
		Typical Work Streams : Community Development : Gender Development		Work streams	9	4	1			20	20	21	
		Typical Work Streams : Human Resources : Employee Assistance Program		Work streams	9	4	1			462	462	462	
		Typical Work Streams : Junior Council		Work streams	9	4	1			63	65	66	
		Typical Work Streams : Strategic Management and Governance : IDP Impl		Work streams	9	4	1			182	200	220	
Vote 4 - Finance		Corrective Maintenance : Emergency : Furniture and Office Equipment		Corrective Main	9	4	1			57	58	60	
		Municipal Running Cost			9	4	1			77 085	86 034	84 854	
		Operational Buildings : Stores : Buildings		Preventative M	9	4	1			100	38	38	
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	9	4	1			63	65	67	
		Typical Work Streams : Financial Management Grant : Financial Statement		Work streams	9	4	1			525	525		
		Typical Work Streams : Financial Management Grant : Interns Compensation		Work streams	9	4	1			8	500		
		Typical Work Streams : Financial Management Grant : Supply Chain Manag		Work streams	9	4	1			525	525		
		Typical Work Streams : Financial Management Grant : Financial Systems		Work streams	9	4	1			1000	280		
Vote 5 - Community Services		Coastal Infrastructure : Promenades : Civil Structures		Preventative M	6	3	2			191	200	210	
		Community Facilities : Cemeteries/Crematoria : Land		Preventative M	6	3	2			44	56	60	
		Community Facilities : Parks : Land		Preventative M	2	3	2			545	578	613	
		Municipal Running Cost			9	3	2			350 712	368 704	380 385	
		Operational Buildings : Municipal Offices : Land		Preventative M	9	3	2			901	955	1 012	
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	9	3	2			5 588	5 783	5 984	
		Roads Infrastructure : Roads : Pavements		Preventative M	6	3	2			33 531	36 208	37 500	
		Sanitation Infrastructure : Outfall Sewers : Civil Structures		Preventative M	6	3	2			602	100	677	
		Sanitation Infrastructure : Retreatment : Municipal Service Connection		Preventative M	6	3	2			3 242	3 437	3 643	
		Solid Waste Disposal : Landfill Sites : Buildings		Preventative M	6	3	2			40	42	44	
		Solid Waste Disposal : Waste Drop-off Points : Buildings		Preventative M	6	3	2			10	49	52	
		Solid Waste Disposal : Waste Drop-off Points : Service Connections on Site		Preventative M	6	3	2			1 298	1 376	1 458	
		Solid Waste Disposal : Waste Processing Facilities : Buildings		Preventative M	6	3	2			70	74	79	
		Sport and Recreation Facilities : Outdoor Facilities : Buildings		Preventative M	2	3	2			114	121	126	
		Storm water Infrastructure : Storm water Conveyance : Civil Structures		Preventative M	6	3	2			350	371	393	
		Storm water Infrastructure : Storm water Conveyance : Drainage		Preventative M	6	3	2			2 839	2 798	2 965	
		Typical Work Streams : Community Development : Community Initiatives		Work streams	2	3	2			74	74	74	
		Typical Work Streams : Sport Development : Marathons, Sport and Recrea		Work streams	2	3	2			258	281	298	
		Typical Work Streams : Ward Committees : Ward Initiatives		Work streams	2	3	2			1 200			
		Water Supply Infrastructure : Distribution : Municipal Service Connections		Preventative M	6	3	2			5 388	5 680	6 031	
		Water Supply Infrastructure : Distribution : Pipe Work		Preventative M	6	3	2			1 243	1 318	1 382	
Vote 6 - Local Economic Development		Community Development : Youth Projects : Youth Projects		Work streams	4	2	5			16	17	17	
		Municipal Running Cost			4	2	5			7 603	8 142	8 511	
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	4	2	5			14	14	15	
		Typical Work Streams : Capacity Building Training and Development : Wor		Work streams	4	2	5			21	22	23	
		Typical Work Streams : Local Economic Development : Project Implement		Work streams	4	2	5			497	527	544	
		Typical Work Streams : Local Economic Development : Training		Work streams	4	2	5			56	60	62	
		Typical Work Streams : Tourism : Tourism Development		Work streams	4	2	5			122	129	133	
Vote 7 - Infrastructure & Planning		Electrical Infrastructure : LV Networks : Municipal Service Connections		Preventative M	6	3	2			1 362	1 420	1 505	
		Electrical Infrastructure : LV Networks : Public Lighting		Preventative M	6	3	2			840	890	101	
		Electrical Infrastructure : Power Plants : Electrical Equipment		Preventative M	6	3	2			2 748	2 882	3 054	
		Municipal Running Cost			6	3	2			429 526	457 575	496 450	
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	6	3	2			641	654	684	
		Solid Waste Disposal : Waste Separation Facilities : Mechanical Equipment		Preventative M	6	3	2			1 333	51 680	24 842	
Vote 8 - Protection Services		Typical Work Streams : Community Development : Housing Projects		Work streams	8	1	2			85 141	90 879	92 548	
		Municipal Running Cost			3	4	4			1 259	1 303		
		Preventative Maintenance : Interval Based : Transport Assets		Preventative M	3	4	4			70			
		Typical Work Streams : Public Protection and Safety		Work streams	3	1	4						
		Typical Work Streams : Ward Committees : Ward Initiatives		Work streams	3	1	4						
Total Operational expenditure											-	-	1 258 428

**Municipal manager's quality certificate**

I, CC GROENEWALD, municipal manager of **Overstrand Municipality**, hereby certify that the annual budget and supporting documentation for the **2018/2019 MTREF** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: CC GROENEWALD

Municipal manager of **Overstrand Municipality (WC032)**

Signature:

A handwritten signature in black ink, appearing to read 'Groenewald', written over a horizontal line.

Date:

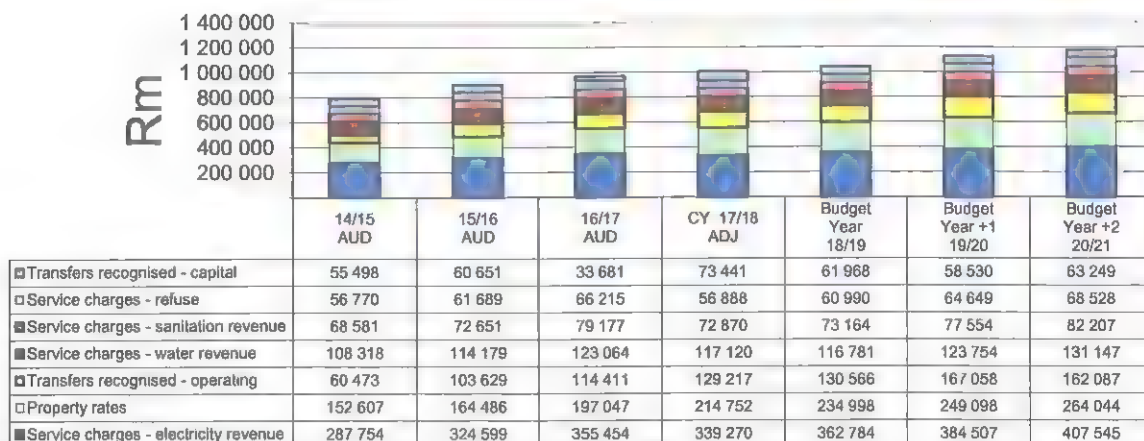
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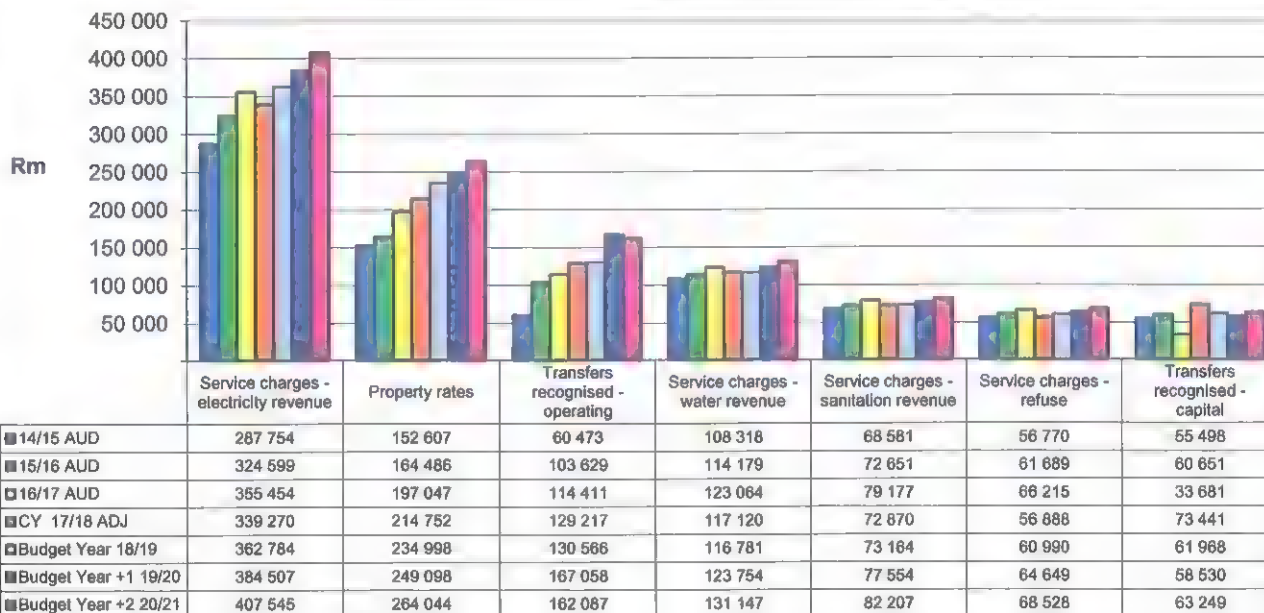


## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

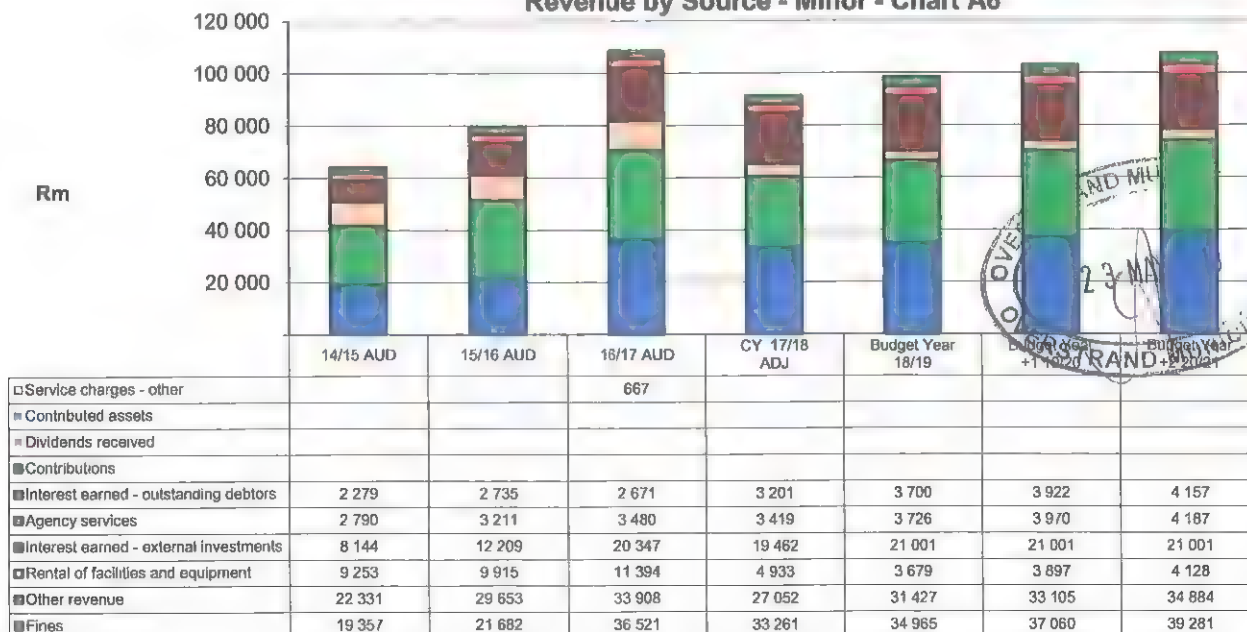
Revenue by Source - Major - Chart A5(a)



Revenue by Source - Major - Chart A5(b) - source trend

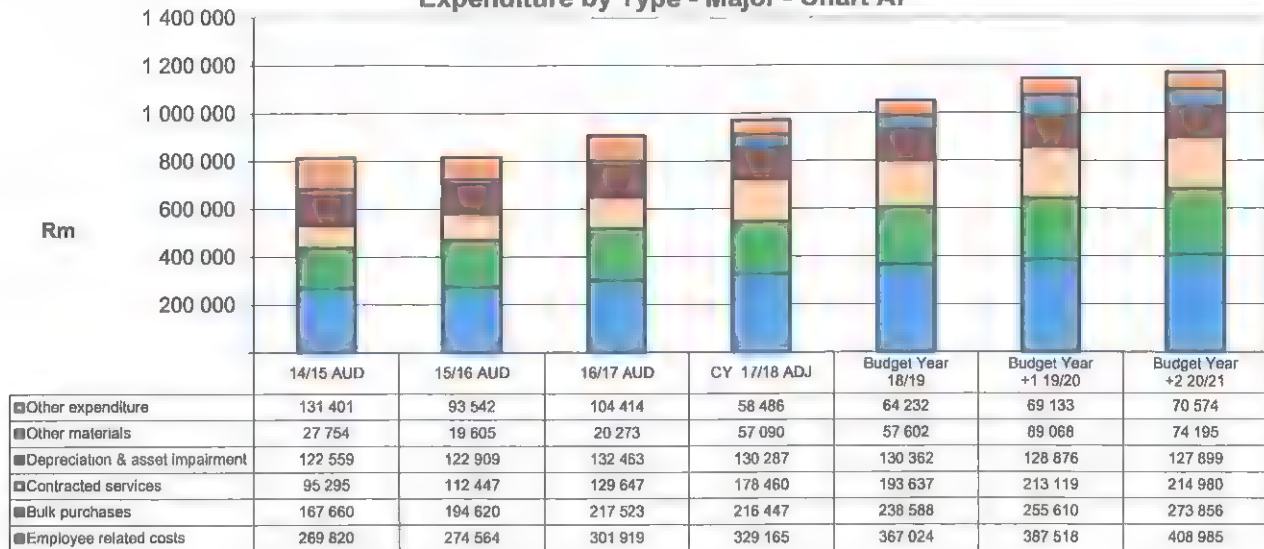


Revenue by Source - Minor - Chart A6

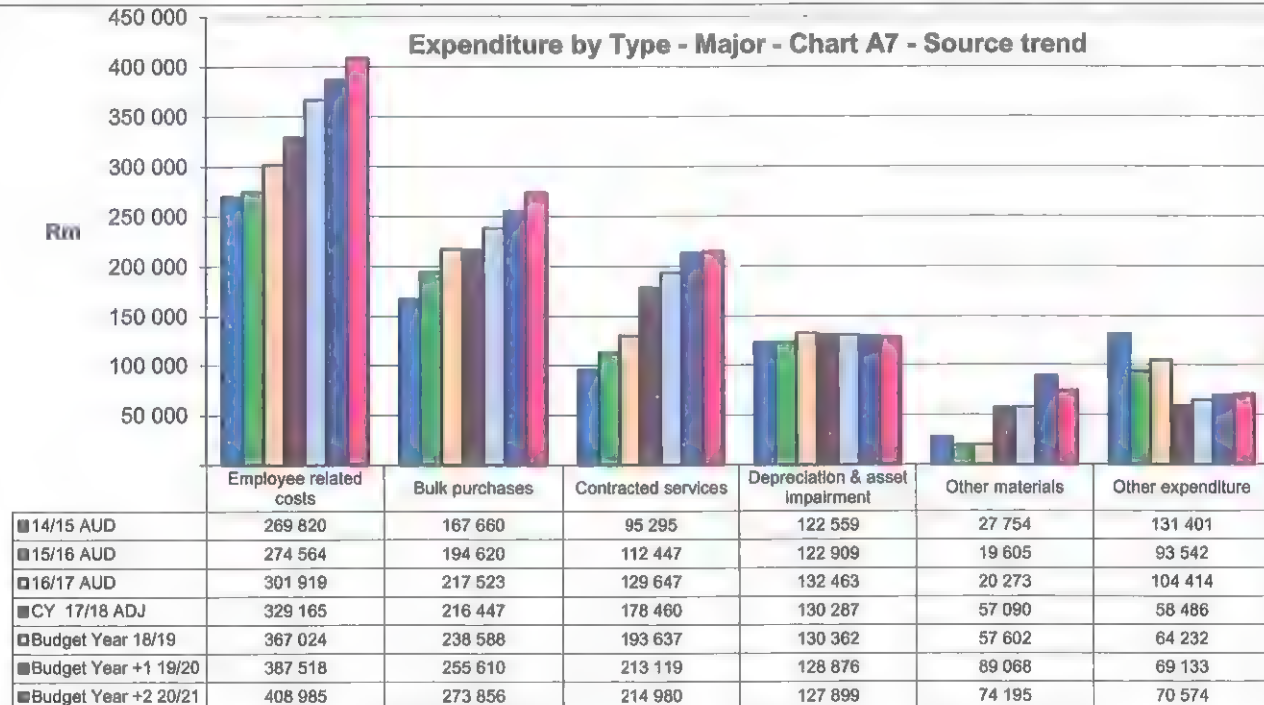


## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

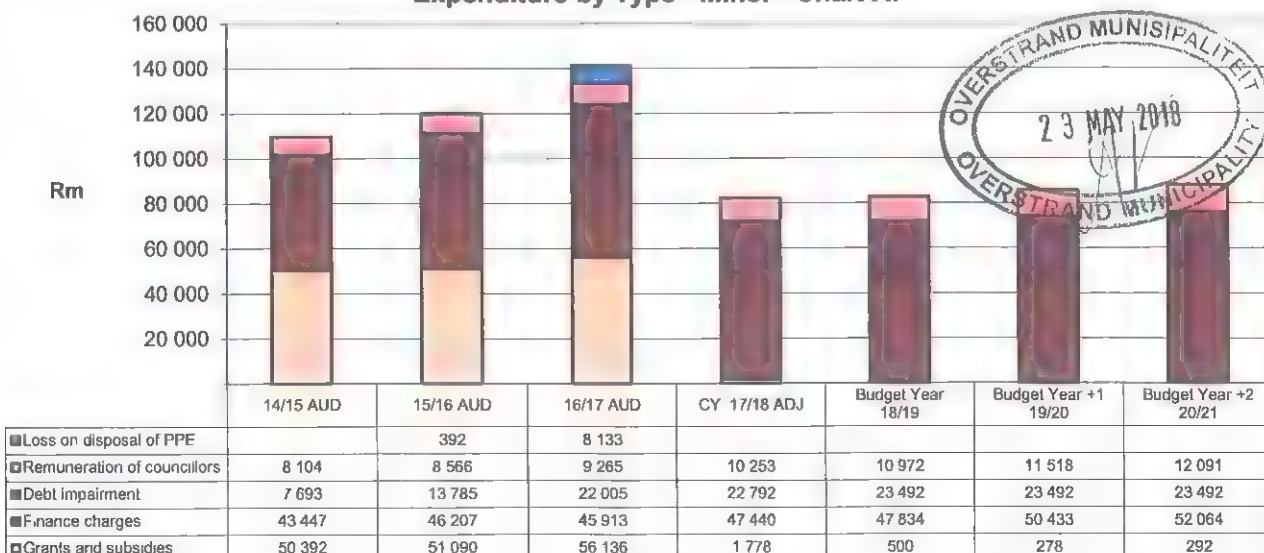
Expenditure by Type - Major - Chart A7



Expenditure by Type - Major - Chart A7 - Source trend



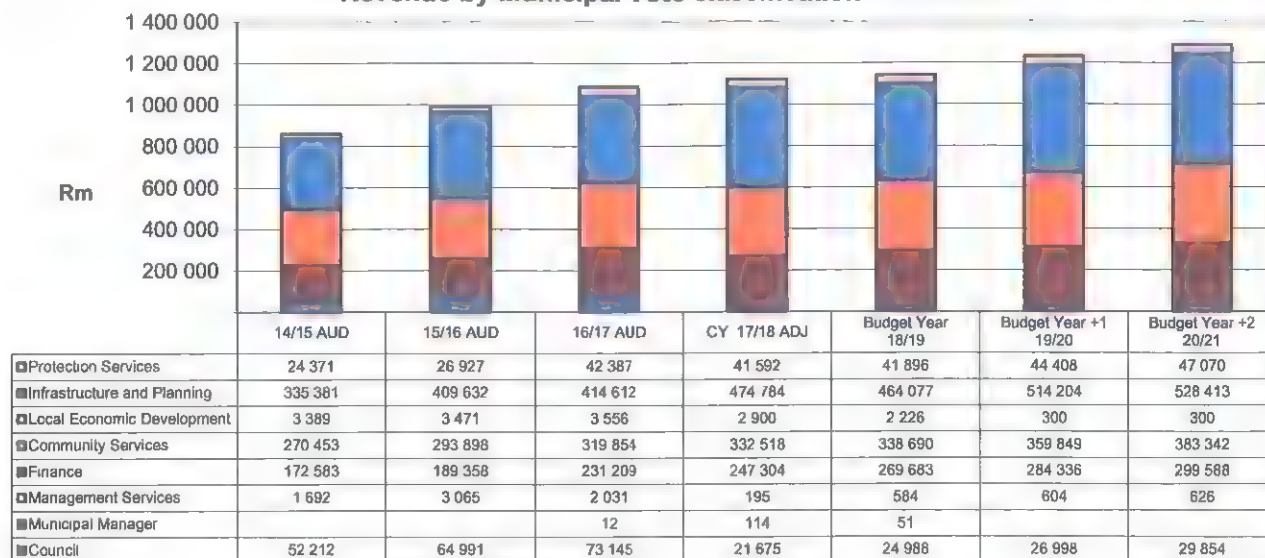
Expenditure by Type - Minor - Chart A7



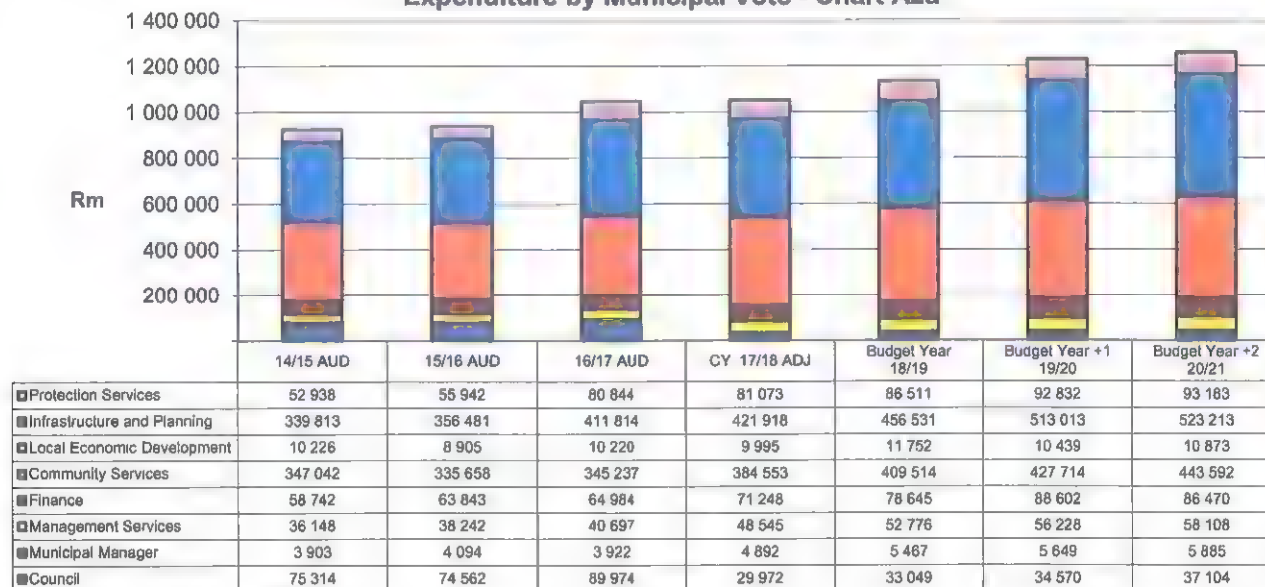


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OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

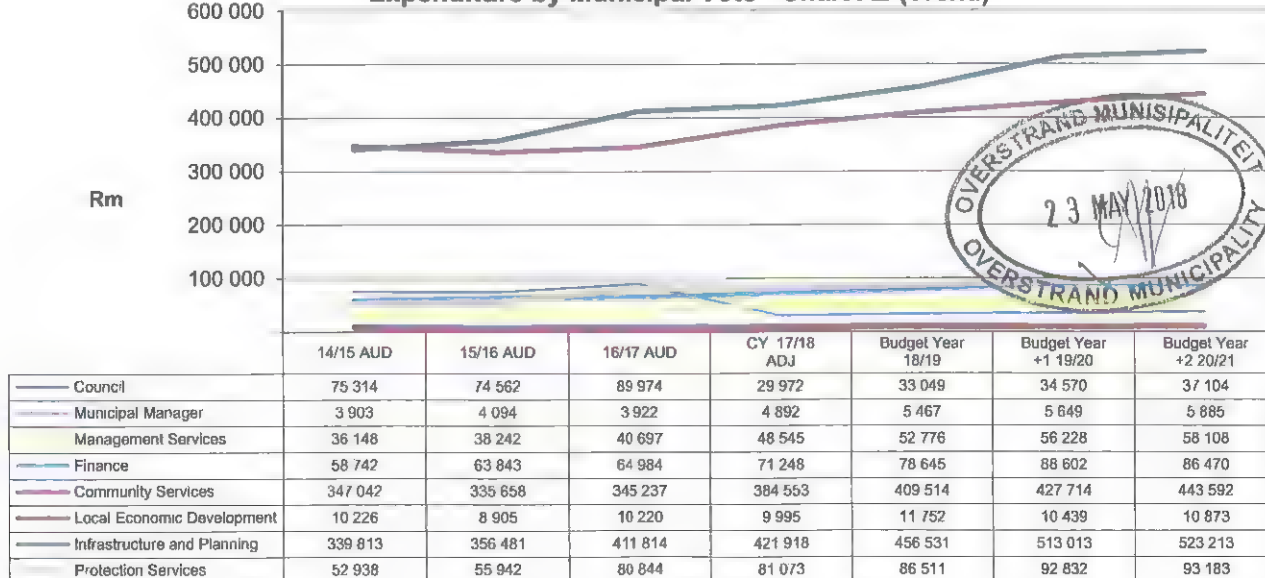
**Revenue by Municipal Vote classification - Chart A1**



**Expenditure by Municipal Vote - Chart A2a**



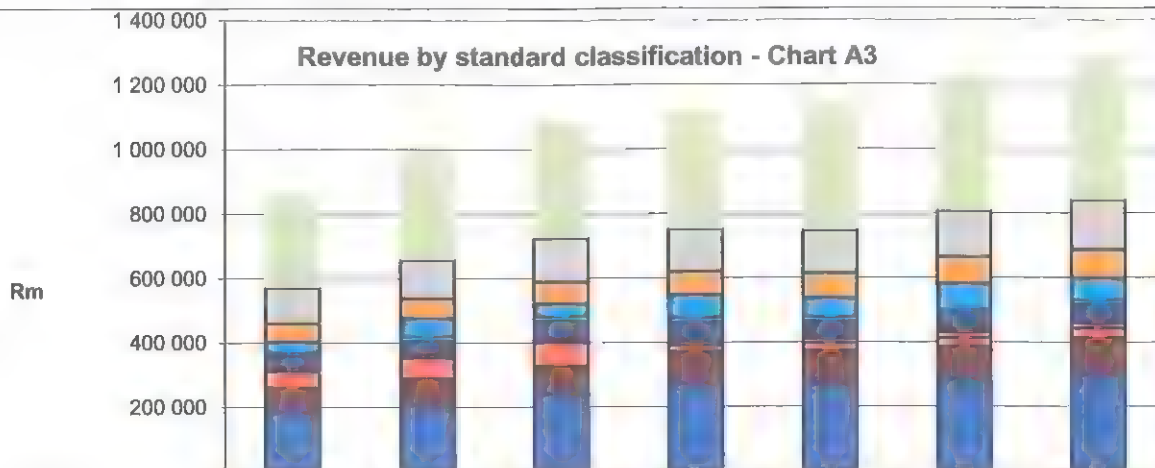
**Expenditure by Municipal Vote - Chart A2 (Trend)**



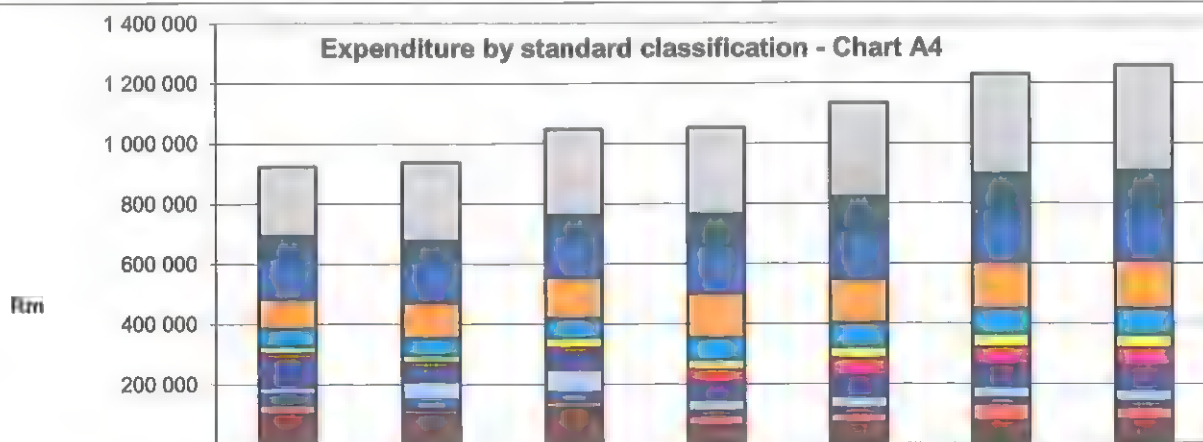


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**OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET**

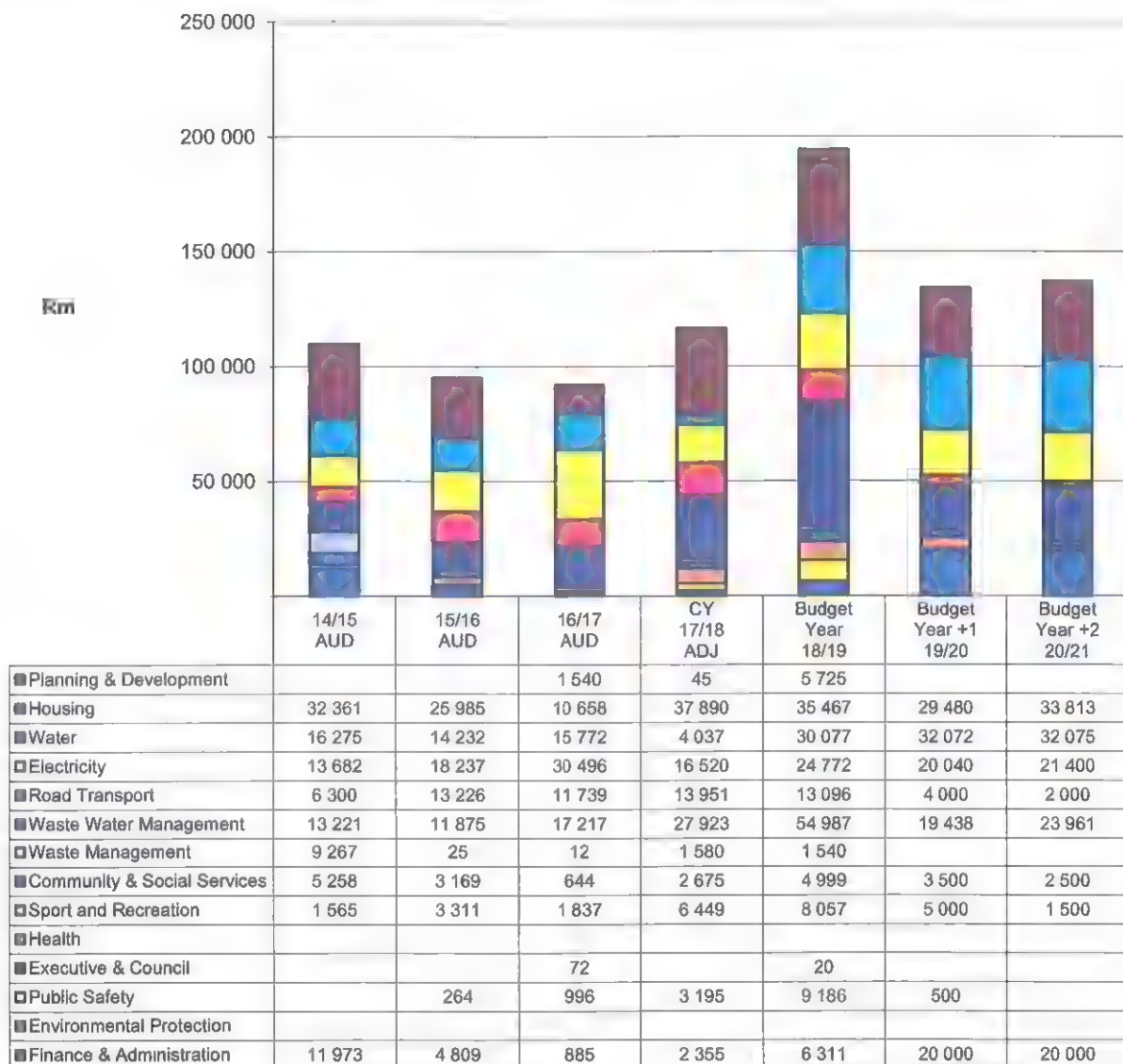


	14/15 AUD	15/16 AUD	16/17 AUD	CY 17/18 ADJ	Budget Year 18/19	Budget Year +1 19/20	Budget Year +2 20/21
Electricity	289 929	334 747	363 310	370 410	395 354	422 870	448 613
Water	109 654	118 583	136 174	131 026	133 327	143 633	154 133
Waste Management	56 861	61 733	66 329	71 910	76 610	81 949	87 641
Housing	35 158	56 496	40 333	72 143	59 762	81 842	69 744
Planning & Development	9 861	13 627	13 713	11 967	11 449	10 094	10 699
Public Safety	736	1 437	461	2 928	1 272	1 348	1 429
Road Transport	31 684	38 278	52 187	49 890	46 648	47 610	48 191
Community & Social Services	5 334	3 184	3 609	8 603	7 413	10 209	10 734
Health							
Sport and Recreation	7 939	9 743	10 371	10 258	13 000	17 186	14 413
Executive & Council	52 212	64 991	74 405	21 759	25 110	27 147	29 991
Waste Water Management	76 614	79 988	84 686	97 978	101 333	101 244	112 737
Environmental Protection	19	9	9	22			
Internal audit			12	114	51		
Finance & Administration	184 082	208 528	241 206	272 074	270 868	285 566	300 867

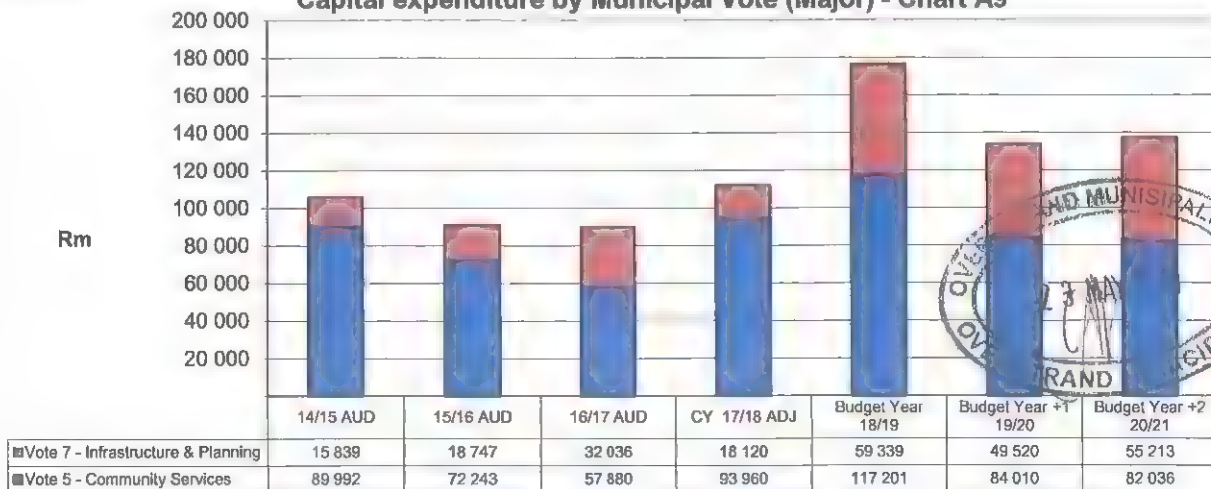


	14/15 AUD	15/16 AUD	16/17 AUD	CY 17/18 ADJ	Budget Year 18/19	Budget Year +1 19/20	Budget Year +2 20/21
Electricity	229 494	261 110	285 447	287 123	311 806	330 970	351 107
Water	71 697	67 325	65 931	105 055	110 285	117 316	120 440
Finance & Administration	138 069	137 790	141 426	158 331	162 952	177 316	178 526
Road Transport	100 057	117 597	136 405	148 536	147 972	155 566	159 420
Waste Water Management	57 717	57 091	63 101	72 822	78 918	83 898	87 737
Public Safety	24 212	24 608	34 493	32 333	38 381	43 180	42 309
Sport and Recreation	16 677	13 956	15 886	43 264	58 238	64 164	67 584
Waste Management	94 806	48 826	56 618	57 903	67 150	70 584	74 632
Planning & Development	23 230	63 258	75 344	37 001	40 059	39 850	41 788
Community & Social Services	35 196	30 985	31 538	14 555	16 752	16 977	18 015
Health							
Housing	32 647	15 175	20 882	33 541	30 974	58 726	42 650
Executive & Council	94 661	95 246	110 304	52 173	55 867	58 666	62 304
Environmental Protection	5 662	4 758	5 402	5 934	8 540	9 157	9 438
Internal audit			1 901	2 451	2 944	3 044	3 200
Other			3 012	1 175	3 408	3 607	3 743

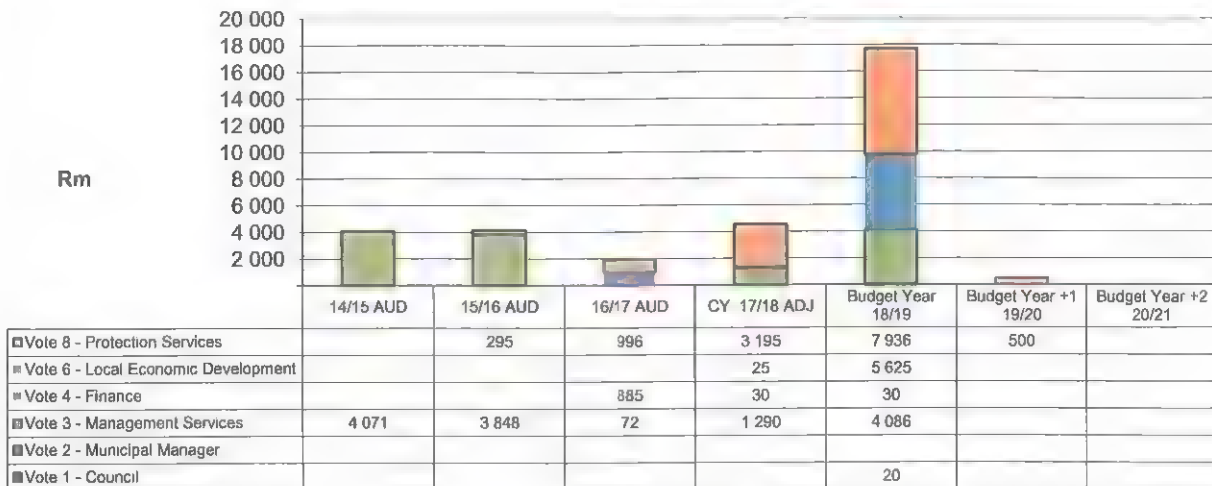
**Capital expenditure by Standard Classification - Chart A11**



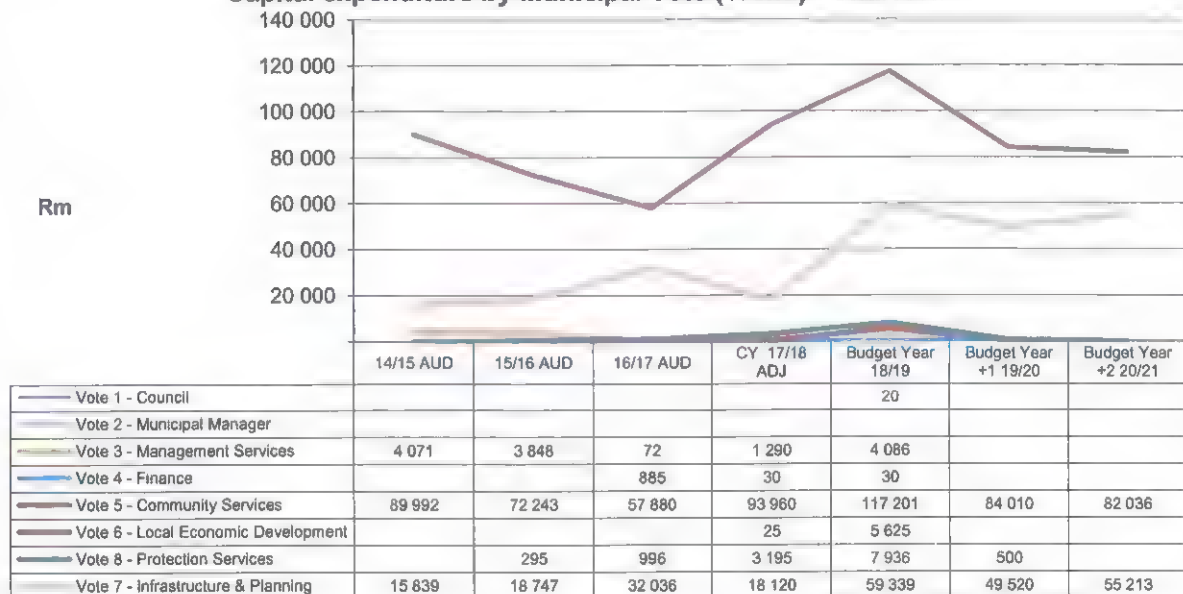
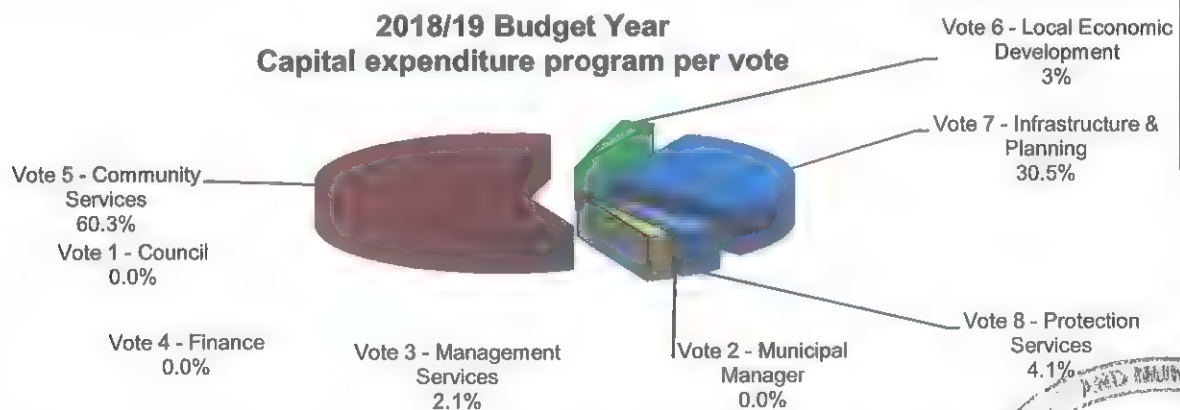
**Capital expenditure by Municipal Vote (Major) - Chart A9**

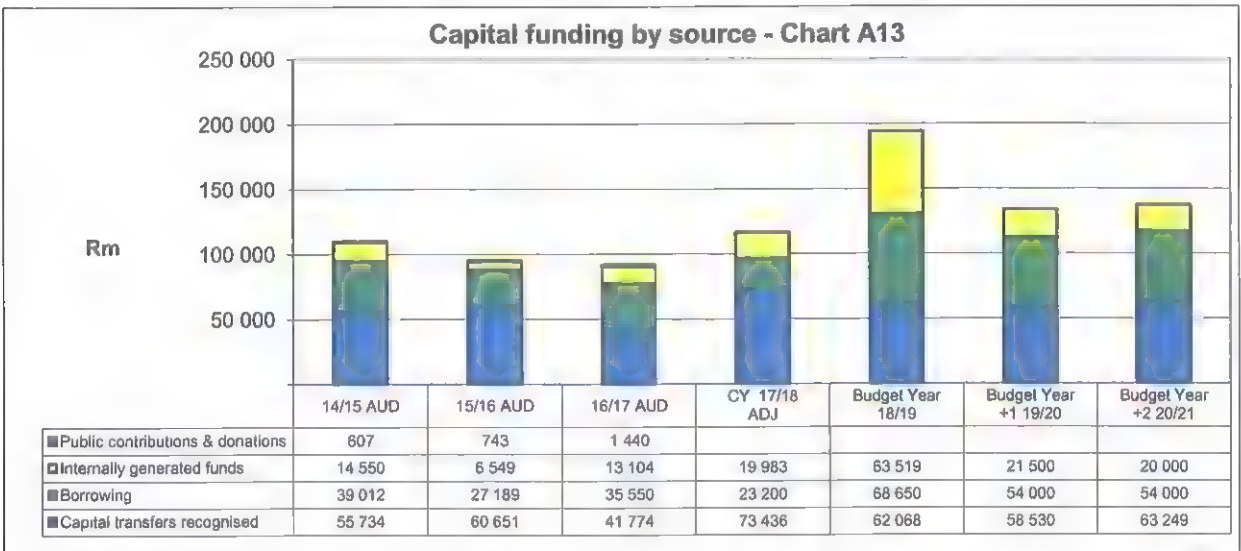
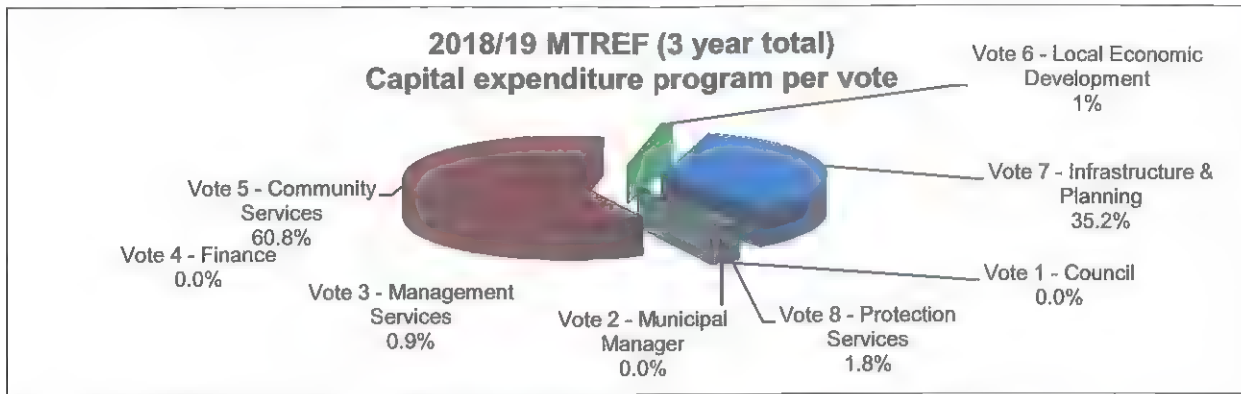


Capital expenditure by Municipal Vote (Minor) - Chart A10



Capital expenditure by Municipal Vote (Trend) - Chart A12

2018/19 Budget Year  
Capital expenditure program per vote





## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

IDP Strategic Objectives - Revenue - Chart A14

Rm

1 400 000  
1 200 000  
1 000 000  
800 000  
600 000  
400 000  
200 000

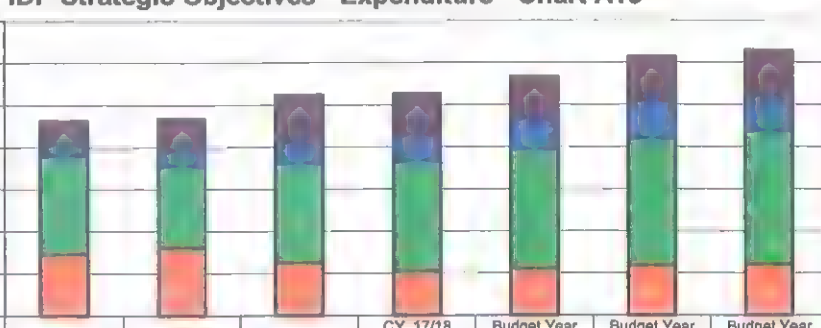


	14/15 AUD	15/16 AUD	16/17 AUD	CY 17/18 ADJ	Budget Year 18/19	Budget Year +1 19/20	Budget Year +2 20/21
■ The promotion of tourism, economic and social development	17 928	21 639	65 909	61 878	58 097	57 704	58 891
■ The creation and maintenance of a safe and healthy environment	31 198	37 676	54 775	93 932	81 447	110 586	96 321
□ The encouragement of structured community participation in the matters of the municipality							
■ Provision and maintenance of municipal services	530 543	597 907	650 498	671 325	706 624	749 696	803 123
■ Provision of democratic accountable and ethical governance	280 413	334 121	315 623	293 947	296 029	312 713	330 858

IDP Strategic Objectives - Expenditure - Chart A15

Rm

1 400 000  
1 200 000  
1 000 000  
800 000  
600 000  
400 000  
200 000

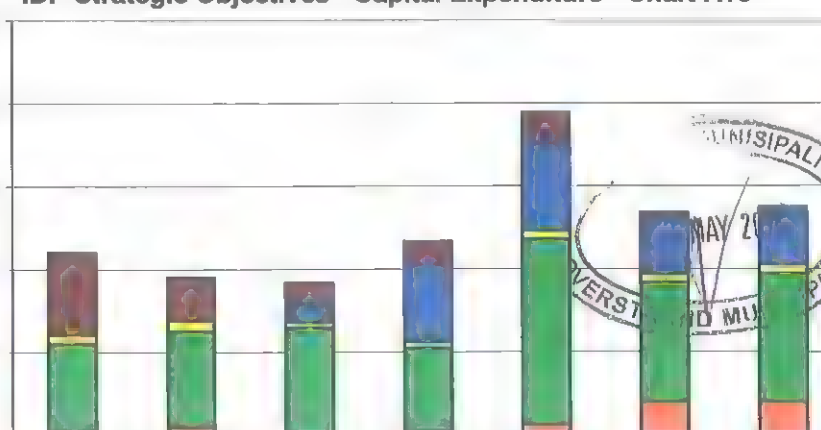


	14/15 AUD	15/16 AUD	16/17 AUD	CY 17/18 ADJ	Budget Year 18/19	Budget Year +1 19/20	Budget Year +2 20/21
■ The promotion of tourism, economic and social development	109 806	155 072	220 164	192 646	198 708	206 779	212 789
■ The creation and maintenance of a safe and healthy environment	52 938	71 285	102 799	123 693	144 344	180 047	166 393
□ The encouragement of structured community participation in the matters of the municipality	1 443	1 835	1 793	1 742	1 270	1 400	1 600
■ Provision and maintenance of municipal services	466 577	384 960	471 097	522 902	588 159	601 794	633 817
■ Provision of democratic accountable and ethical governance	293 362	324 575	251 838	211 213	221 763	239 027	244 029

IDP Strategic Objectives - Capital Expenditure - Chart A16

Rm

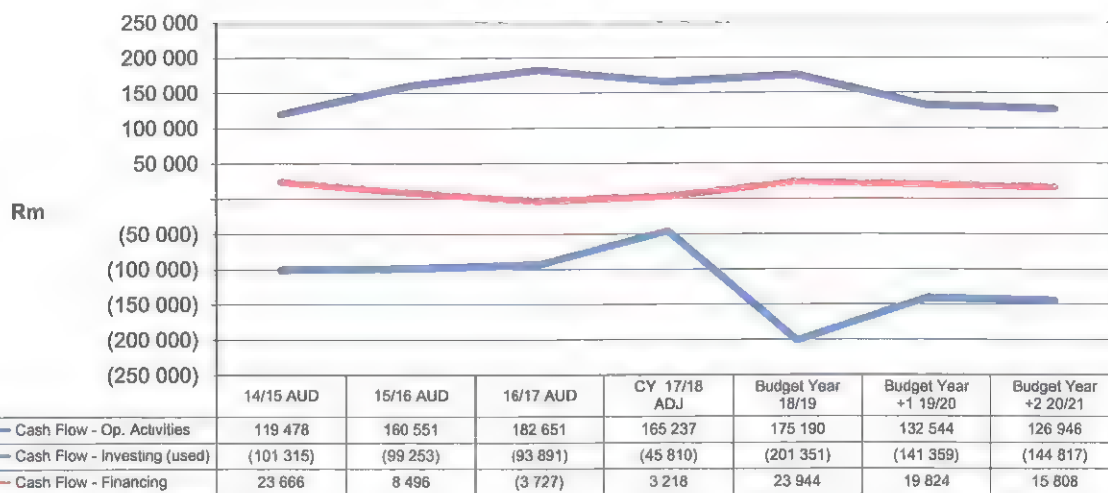
250 000  
200 000  
150 000  
100 000  
50 000



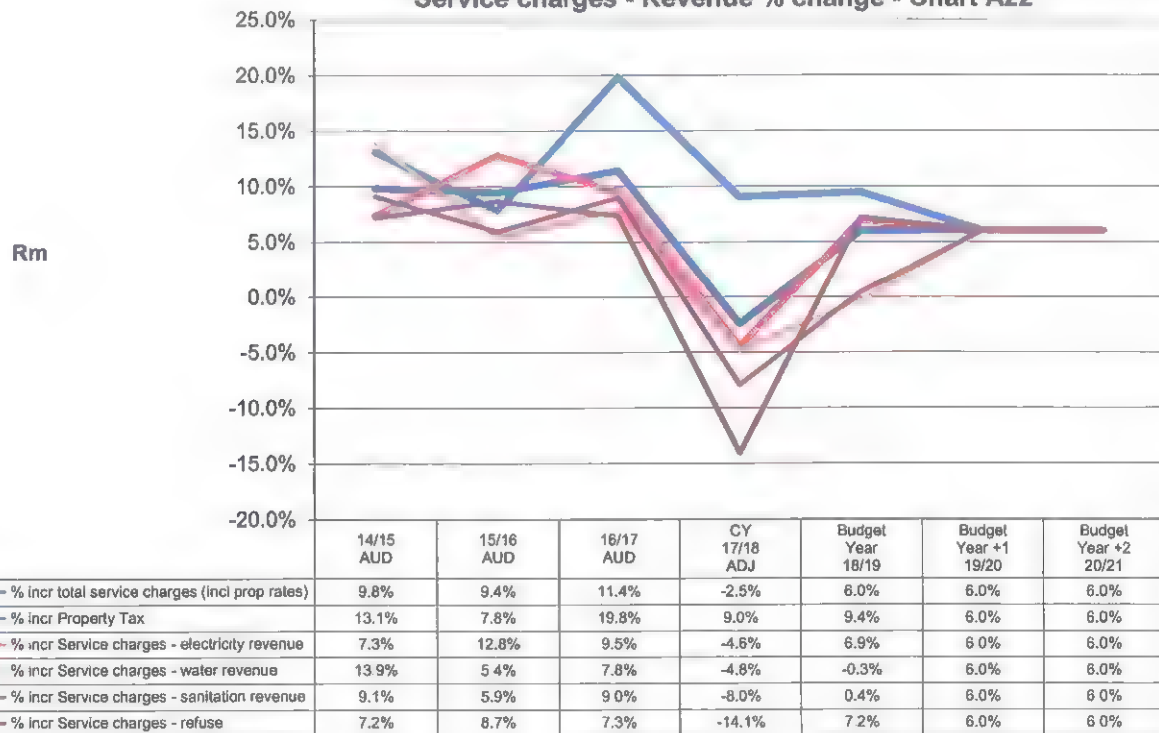
	14/15 AUD	15/16 AUD	16/17 AUD	CY 17/18 ADJ	Budget Year 18/19	Budget Year +1 19/20	Budget Year +2 20/21
■ The promotion of tourism, economic and social development	49 347	25 865	13 279	13 996	18 821	4 000	2 000
■ The creation and maintenance of a safe and healthy environment		264	10 406	46 718	52 460	33 250	32 583
□ The encouragement of structured community participation in the matters of the municipality	5 580	6 480	3 729	3 491	5 250	5 230	5 230
■ Provision and maintenance of municipal services	52 449	57 595	63 498	50 060	111 375	71 550	77 436
■ Provision of democratic accountable and ethical governance	2 526	4 929	957	2 355	6 331	20 000	20 000

## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

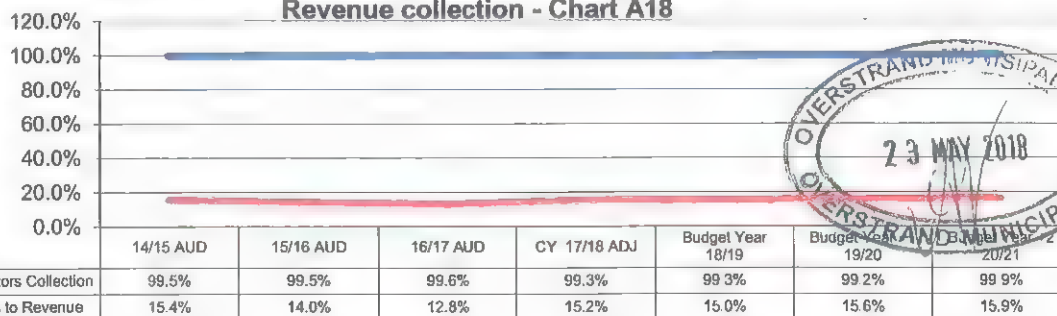
Cash flow trend - Chart A23



Service charges - Revenue % change - Chart A22

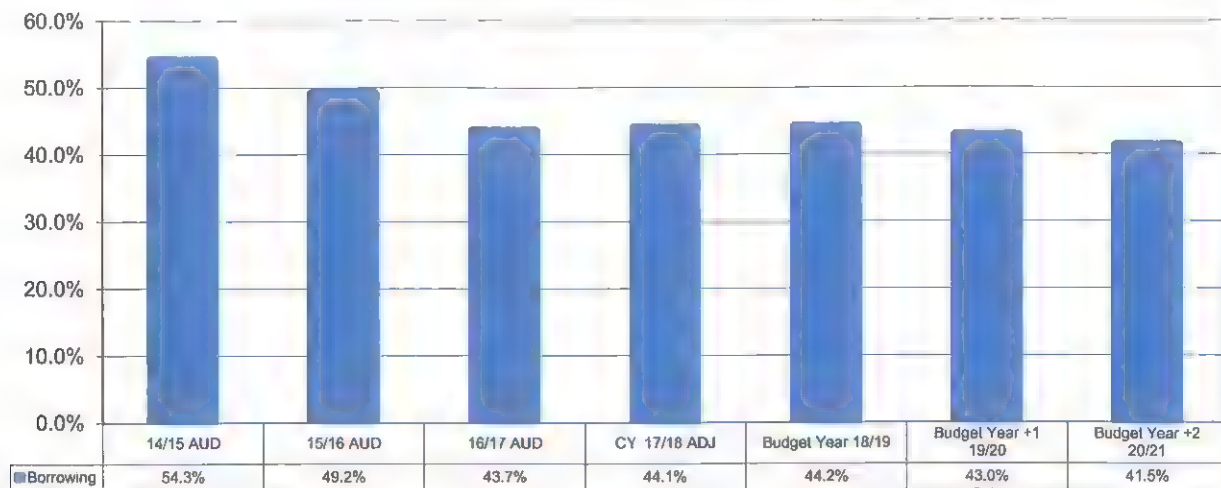


Revenue collection - Chart A18

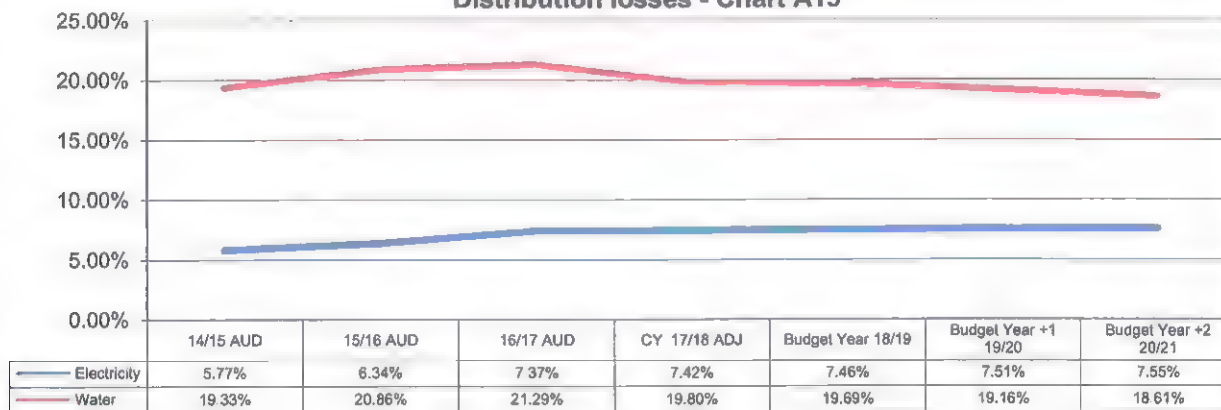


## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET

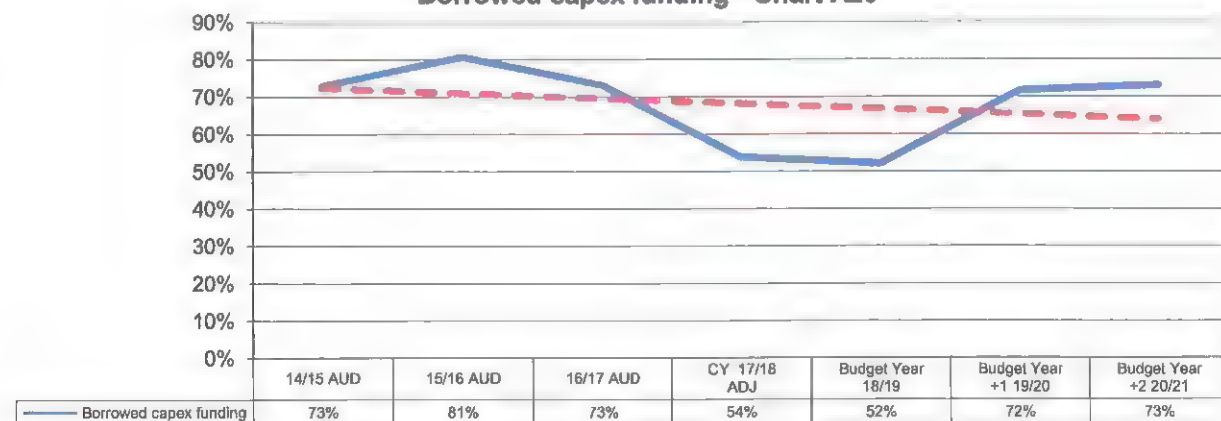
Debt (borrowing as a % of total revenue collection) - Chart A17



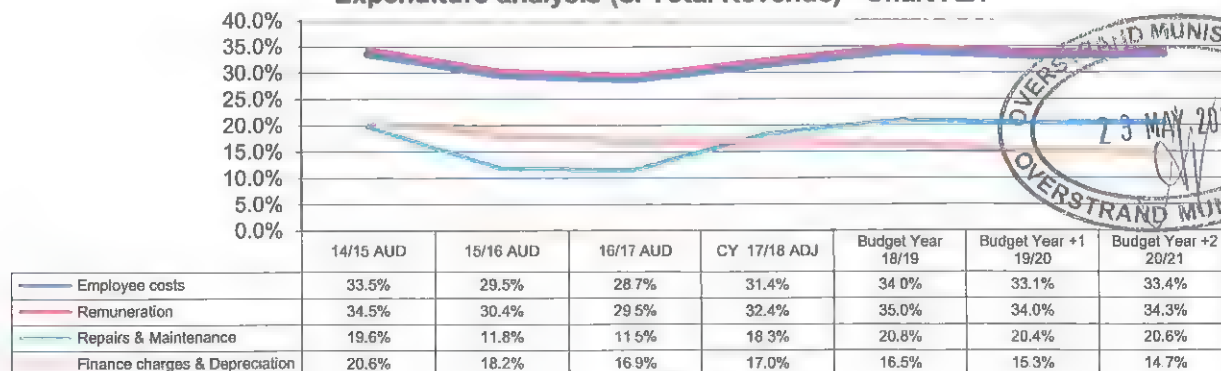
Distribution losses - Chart A19



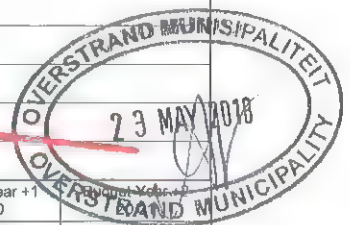
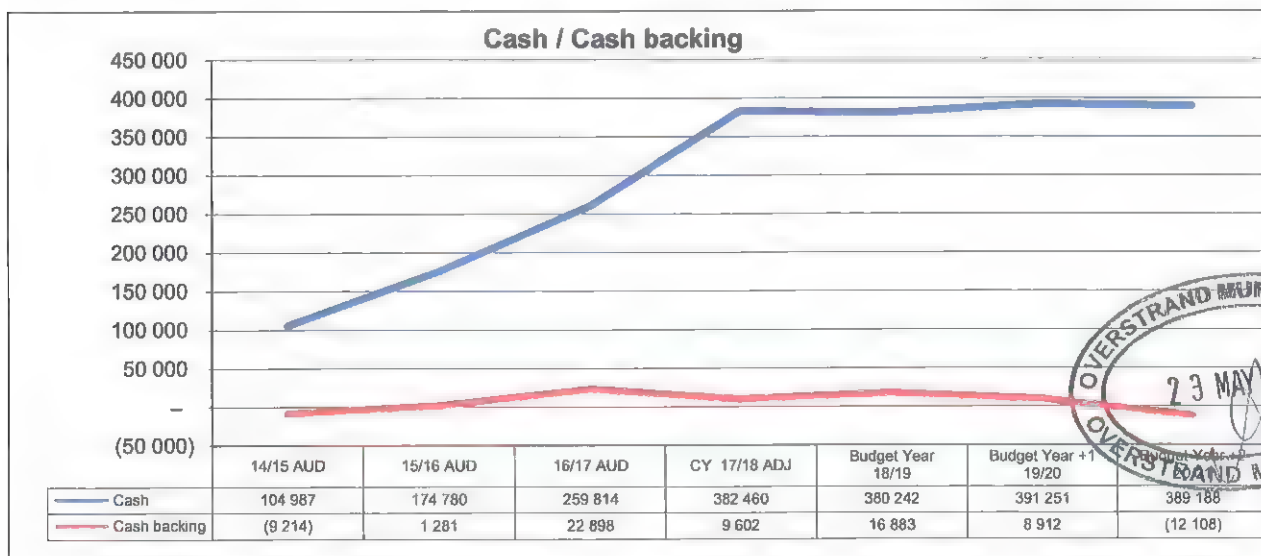
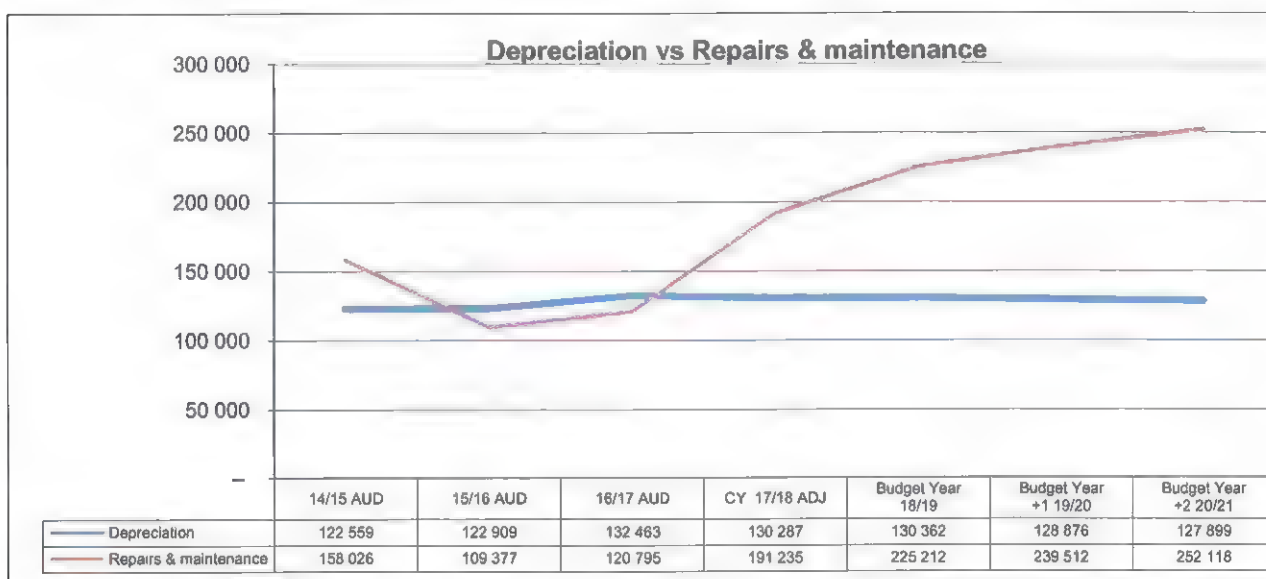
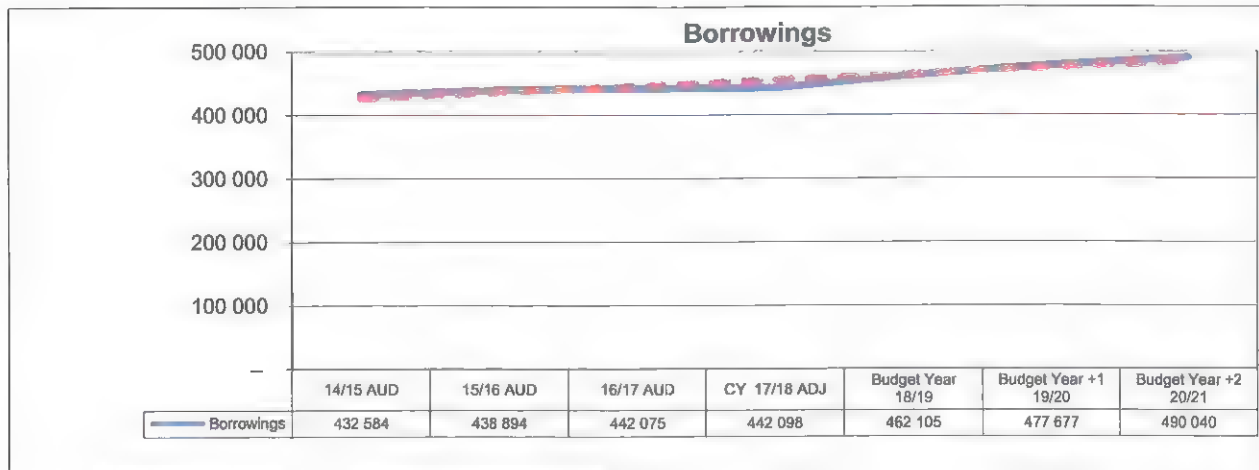
Borrowed capex funding - Chart A20



Expenditure analysis (of Total Revenue) - Chart A21



## OVERSTRAND MUNICIPALITY - BUDGET REGULATION CHARTS 2017/2018 BUDGET







## **ANNEXURE C**

# **RATES AND TARIFFS**





# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## RATES TARIFFS

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT	Exclude VAT	Include VAT
RATES	YEAR OF GENERAL VALUATION: 02 JULY 2015				
RATE1*	Commercial Land with Improvements	0.008173	0.008173	0.00771	0.00771
RATE2*	Residential Land with Improvements	0.005395	0.005395	0.00509	0.00509
	* See attached schedule of Exemptions and Rebates applicable				
RATE3	Municipal Properties: Investment Properties				
RATE4	Municipal Properties: Property, Plant and Equipment	0.000000	0.000000	0.00000	0.00000
RATE5	Improvement District Surcharge (HPP) on total rates payable on approved Improvement District	0.100000	0.100000	0.10000	0.10000
RATE6	Building Clause				
RATE7	Farm/Agriculture (Bona-fide)	0.001349	0.001349	0.001273	0.001273
RATE8	Undeveloped erven	0.007388	0.007388	0.00697	0.00697
RATE9	Government Properties: Commercial	0.008174	0.008174	0.00771	0.00771
RATE10	Government Properties: Residential	0.005396	0.005396	0.00509	0.00509
RATE11	Special Rating Areas		0.000000		
SRA1				new	new

PLEASE NOTE: VAT IS LEVIED AT A RATE OF 0% ON ASSESSMENT RATES



# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

(Attachments to the Rates Tariff Schedule

TARIFF CODE	CLASS TAX	TYPE OF PROPERTY	REBATE OR EXEMPTIONS
<b>BUS</b>	General Tax: Commercial	All business, industries, Bed and Breakfast and Guest Houses	<p><b>NO exemptions</b></p> <p>Bed and Breakfast as well as Guesthouses can apply before 30 June for the following rebate on the difference between <u>Bus and Res rate</u>:</p> <p>1 - 2 X lettable room : 100%</p> <p>3 X lettable room : 75%</p> <p>4 X lettable room : 50%</p> <p>5 X lettable room : 25%</p>
<b>BUSO</b>	General Tax: Tourism and recreational resorts outside the municipal urban areas	Hotels, Guest Houses, Cottages, Caravan Parks and Holiday Resorts, Chalets	50% rebate on the tax applicable on commercial property in urban areas
<b>RES</b>	General Tax: Residential properties within the municipal service areas	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes, Small holdings not used for bona fide farming purposes	<p>The first R15 000.00 of the rateable value of all residential properties is exempted from property tax</p> <p>A further R35 000.00 of the rateable value is exempted in respect of all residential properties where a residential completion certificate has been issued</p> <p>An Additional rebate of 20% of the levy calculated on such properties is granted</p> <p>Rebate to qualifying property owners as indicated under "Other Retabe"</p>
<b>RESCO</b>	General Tax: Residential properties outside the municipal urban area	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	50% of the tax applicable on residential property in urban areas
<b>FARMS</b>	General Tax: Farming properties	Small holdings used for bona fide farming purposes outside municipal service area	Rebate to qualifying property owners as indicated under "Other Retabe"
<b>FARMS</b>	Conservation land	Privately owned properties whether designated or used for conservation purposes	Agricultural purpose in relation to the use of a property, excludes the use of the property for the purpose of ecotourism or for the trading in or hunting game
<b>PR400</b> <b>PR050</b> <b>PR040</b>	Other Rebates	Single residential properties, Group housing, Retirement villages, Flats, Sectional schemes	<p>Not rateable in terms of section 17(1)(e) of the Municipal Property Rates Act</p> <ul style="list-style-type: none"> <li>- Property zoned single residential must be occupied permanently by the applicant;</li> <li>- The applicant must be the registered owner;</li> <li>- Applicant may not be the registered owner of more than one property</li> </ul> <p>* A rebate of 100% to approved applicant in terms of the Property Rates Policy, who's gross monthly household income may not exceed the amount of two times (2X) of state funded social pensions per month</p> <p>* A rebate of 50% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income less than four times (4X) of state funded social pensions per month</p> <p>* A rebate of 40% to approved applicants, in terms of the Property Rates Policy who are older than 60 with a gross monthly household income more than four times (4X) but less than eight times (8X) of state funded social pensions per month</p>



## EXEMPTIONS FROM PROPERTY RATES (Rates Policy)

Religious organisations	A property registered in the name of and used primarily as a place of public worship by a religious organization/community, including an official residence registered in the name of that organization/community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1)(i) of the MPRA
Health and welfare institutions	Properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the boundaries of Overstrand Municipality
Private schools and Educational Institutions	Property used by registered private schools for educational purposes only
Charitable institutions	Properties belonging to not-for-gain institutions or organizations that perform charitable work
Sporting bodies	Property used by an organization whose sole purpose is to use the property for sporting purposes, for gain or not. Assistance to professional sporting organizations may differ from that afforded to amateur bodies. The rebate will be awarded <b>at the sole discretion of council on an annual basis.</b>
Agricultural societies	Property belonging to agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society
Cultural institutions	Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
Museums, libraries, art galleries and botanical gardens	Registered in the name of private persons, open to the public and not operated for gain.
Youth development organisations	Property owned and/or used by organizations such as the Boy Scouts, Girls Guides, Voortrekkers or organizations the Council deems to be similar.
Animal protection	Property owned or used by institutions/organizations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.



## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## SUNDRY TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>S1</b>	<b>BOAT LICENCE/PERMITS, LAUNCHING &amp; ENTRANCE FEE</b>				
<b>S1J</b>	<b>Kleinbaai Boat Launching:</b>				
S1J1	On site Parking pm	886.96	1 020.00	836.84	962.36
S1J2A	Category B1: Shark-view operators/whale-watching (Incl on-site parking) pa	37 220.00	42 803.00	35 113.16	40 380.13
S1J2B	Category B2: Shark-view operators/whale-watching (excl on-site parking) pm	2 848.70	3 276.00	2 686.84	3 089.87
S1J2C	Category B2: Shark-view operators/whale-watching (excl on-site parking) pa	28 408.70	32 670.00	26 800.00	30 820.00
S1J4A	Kelp Collectors pm	3 559.13	4 093.00	3 357.02	3 860.57
S1J4B	Kelp Collectors pa	35 512.17	40 839.00	33 501.75	38 527.01
S1J4C	Kelp Collectors per launch	230.44	265.00	216.67	249.17
S1J5	Oversize vessel	tariff + 50%	applicable vat	tariff + 50%	applicable vat
S1J6A	Nature Conservation	no charge	no vat	no charge	no vat
S1J6B	Support Service per month	674.78	776.00	635.97	731.36
S1J6C	Support Service per launch	89.57	103.00	84.21	96.84
S1J7A1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	574.78	661.00	542.11	623.42
S1J7A2	Recreational Fishing Vessels < 7m per Launch	67.83	78.00	64.04	73.64
S1J7A3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	690.44	794.00	650.88	748.51
S1J7A4	Recreational Fishing Vessels > 7m per Launch	89.57	103.00	84.21	96.84
S1J7B1	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	626.96	721.00	591.23	679.91
S1J7B2	Commercial Fishing Vessels > 7m pa	831.30	956.00	784.21	901.84
S1J7B3	Commercial Fishing Vessels < 7m per launch	79.13	91.00	74.56	85.74
S1J7B4	Commercial Fishing Vessels > 7m per launch	100.00	115.00	93.86	107.94
S1J8A	Passenger Boats pm	1 421.74	1 635.00	1 341.23	1 542.41
S1J8B	Passenger Boats per launch	137.39	158.00	128.95	148.29
S1J9	Use of Tractor for Boat Launching per month	240.87	277.00	227.19	261.27
S1J11	Formal Shop Rental / month	826.96	951.00	779.83	896.80
S1J12	Informal Trader under cover rental / month	543.48	625.00	512.28	589.12
<b>S1M</b>	<b>Kleinmond Slipway:</b>				
S1M1	Recreational Fishing (Overstrand Consumers) Vessels < 7m pa	574.78	661.00	542.11	623.42
S1M2	Recreational Fishing Vessels < 7m per Launch	67.83	78.00	64.04	73.65
S1M3	Recreational Fishing (Overstrand Consumers) Vessels > 7m pa	690.44	794.00	650.88	748.51
S1M4	Recreational Fishing Vessels > 7m per Launch	89.57	103.00	84.21	96.84
S1M5	Commercial Fishing (Overstrand Consumers) Vessels < 7m pa	626.96	721.00	591.23	679.91
S1M6	Commercial Fishing Vessels > 7m pa	831.30	956.00	784.21	901.84
S1M7	Commercial Fishing Vessels < 7m per launch	79.13	91.00	74.56	85.74
S1M8	Commercial Fishing Vessels > 7m per launch	93.92	108.00	88.60	101.89
S1M9	Passenger Boats pm	1 421.74	1 635.00	1 341.23	1 542.41
S1M10	Passenger Boats per launch	137.39	158.00	128.95	148.29
<b>S1T</b>	<b>Registered Launching Sites managed by the Overstrand Municipality (08:00-16:00) (Western Cape December School Holiday and when declared by Council)</b>				
<b>S1T1</b>	<b>Affiliated Members</b>				
S1T1A	Annually	209.57	241.00	197.37	226.98
S1T1B	Monthly	126.09	145.00	118.42	136.18
S1T1C	Weekly	63.48	73.00	59.65	68.60
S1T1D	Daily	21.74	25.00	20.18	23.20

# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

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Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>S1T2</b>	<b>Non-Affiliated Members</b>				
S1T2A	Annually	419.13	482.00	394.74	453.95
S1T2B	Monthly	188.70	217.00	178.07	204.78
S1T2C	Weekly	105.22	121.00	99.12	113.99
S1T2D	Daily	32.17	37.00	29.83	34.30
<b>S2</b>	<b>BUILDING CONTROL</b>				
S2A1	Building Plan Fees up to 100 m <sup>2</sup> (R/m <sup>2</sup> )	28.70	33.00	26.97	31.01
S2A2	Building Plan Fees from 101 m <sup>2</sup> to 200 sq m (R/m <sup>2</sup> )	33.91	39.00	31.61	36.36
S2A3	Building Plan Fees from 201 m <sup>2</sup> to 300 sq m (R/m <sup>2</sup> )	40.00	46.00	37.20	42.77
S2A4	Building Plan Fees greater than 300 m <sup>2</sup> (R/m <sup>2</sup> )	44.35	51.00	41.84	48.11
S2A5	Building Plan Fees - Building Sub Economic < 70 m <sup>2</sup>	402.61	463.00	379.37	436.27
S2A6	Building Plan Fees - Government Subsidized Housing Schemes (verandas < 15 m <sup>2</sup> )	46.96	54.00	43.86	50.44
S2B	Building Plan Fees 0 - 30 m <sup>2</sup> (S2A1 X 30)	860.87	990.00	809.10	930.47
S2C	Building Plan fees related to farm buildings (farm sheds, stables, etc) R/m <sup>2</sup>	19.13	22.00	17.67	20.32
S2D1	Building Plan fees related to industrial buildings R/m <sup>2</sup>	19.13	22.00	17.67	20.32
S2D2	Building Plan Fees Related to Government Buildings (School etc) (R/m <sup>2</sup> )	19.13	22.00	17.67	20.32
S2F1	Plan Scrutiny Fees - < 200 m <sup>2</sup>	491.30	565.00	463.05	532.51
S2F2	> 200 m <sup>2</sup> (R/m <sup>2</sup> )	4.35	5.00	3.72	4.28
S2G	Demolition application	491.30	565.00	463.05	532.51
S2H	Inspection & Re-inspection fees and inspections on complaints, rates clearance etc.	293.04	337.00	276.16	317.59
S2J1	Building Deposit - < 50m <sup>2</sup> or less or less than R150,000.00	870.00	no vat	821.50	no vat
S2J2	Building Deposit - Recoverable 50m <sup>2</sup> to 200m <sup>2</sup> or more than R150,000.00	2 315.00	no vat	2 183.60	no vat
S2J3	Building Deposit - Recoverable more than 200m <sup>2</sup>	6 349.00	no vat	5 989.00	no vat
S2J4	Building Deposit - Sub economic Areas only (Not applicable to Additions)	no charge	no vat	no charge	no vat
S2K	Administration / Viewing Fee	57.39	66.00	53.93	62.02
S2L	Minor Building Works	230.44	265.00	216.65	249.15
S2L1	Heritage Investigation Minor Alterations (no additions)	460.00	529.00	433.30	498.29
S2L2	Heritage Investigation add and alt smaller than 30m <sup>2</sup> (2 X S2L1)	919.13	1 057.00	866.60	996.59
S2L3	Heritage Investigation add and alt greater than 30m <sup>2</sup> (2 X S2L2)	1 837.39	2 113.00	1 733.20	1 993.18
<b>S3</b>	<b>BUILDING CONTROL: PLAN PRINTING FEES</b>				
S3A1	Per sheet - Size A0 (Private copy)	63.48	73.00	59.51	68.43
S3A2	Size A1 (Private copy)	49.57	57.00	46.49	53.47
S3A3	Size A2 (Private copy)	36.52	42.00	34.41	39.57
S3A4	Per sheet - Size A0 (Official copy)	49.57	57.00	46.49	53.47
S3A5	- Size A1 (Official copy)	36.52	42.00	34.41	39.57
S3A6	- Size A2 (Official copy)	26.09	30.00	24.18	27.81
S3B1	Per sheet - Size A0 (Private copy) Colour	329.57	379.00	310.56	357.14
S3B2	Size A1 (Private copy) Colour	251.30	289.00	237.10	272.67
S3B3	Size A2 (Private copy) Colour	167.83	193.00	158.07	181.78
S3B4	Per sheet - Size A0 (Official copy) Colour	167.83	193.00	158.07	181.78
S3B5	- Size A1 (Official copy) Colour	125.22	144.00	118.08	135.80
S3B6	- Size A2 (Official copy) Colour	84.35	97.00	79.03	90.89
<b>S5</b>	<b>BUSINESS LICENCE</b>				
S5B1	Business Licence - Formal	729.57	839.00	688.07	791.28
S5B2	Business Licence - Informal	261.74	301.00	246.41	283.37



# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S5B3	Re-inspection Fee	143.48	165.00	134.82	155.04
S5B4	Duplicate Licence Fee	143.48	165.00	134.82	155.04
<b>S15</b>	<b>CEMETERY</b>				
	Residents (RES):				
S15A	Plot Cost (Fixed)				
	<b>Grave Depths</b>				
<b>Note</b>	- Infill grave (between two existing graves) must have a soil coverage of not less than 1 meter;				
	- Other single graves (not infill) must have a soil coverage of not less than 1.5 meters;				
	- Double graves (in depth) must have a soil coverage of not less than 1.5 meters with a 300mm soil between the coffins;				
	- Child grave must have a soil coverage of not less than 1 meter.				
S15A1	All cemeteries - single grave	566.09	651.00	533.72	613.78
S15A2	All cemeteries - Double graves - depth for two coffins	877.39	1 009.00	827.54	951.67
S15A3	Double grave next to each other	1 130.44	1 300.00	1 066.51	1 226.48
S15A4	Children under 12 years	424.35	488.00	399.82	459.79
S15A5	Garden of Remembrance Fees	206.96	238.00	195.26	224.55
<b>S15B</b>	<b>Indication of grave</b>				
S15B1	New graves (include inspection before and after funeral)	560.87	645.00	529.07	608.43
S15B2	Existing graves	180.00	207.00	169.23	194.61
<b>S18</b>	<b>COMMERCIAL FILMING/PHOTOGRAPHING</b>				
S18A	Large per day or part thereof ≥ 50 people	13 404.35	15 415.00	12 645.61	14 542.46
S18B	Small per day or part thereof more than 10 but < 50 people	4 701.74	5 407.00	4 435.26	5 100.55
S18C	Small per day or part thereof ≤ 10 people	1 348.70	1 551.00	1 272.00	1 462.80
<b>S18F</b>	<b>Addition to Shoot</b>				
S18F1	Animals (per animal per day or part of a day)	167.83	193.00	158.07	181.78
S18F2	Area required for production and catering (per m² per day or part of a day)	38.26	44.00	35.33	40.63
S18F3	Cancellation Fee (per application at full permit fee)		15% of Fee	15% of Fee	applicable vat
S18F4	Environmental Control Officer: Fees per hour or part thereof	393.04	452.00	370.07	425.58
S18F5	Vehicles off Public Roads per Parking Bay (per vehicle per day/part of a day)	141.74	163.00	132.97	152.91
<b>S20</b>	<b>CREDIT CONTROL AND DEBT COLLECTION</b>				
S20A1	Admin fee on arrear accounts Notices	315.65	363.00	315.79	363.16
S20A2	Admin fee on 24 hour Notices - Bulk users	315.65	363.00	315.79	363.16
S20B	Admin fee on arrear accounts Disconnection and Reconnection Fee	530.44	610.00	530.71	610.31
S20C	SMS admin fee on arrear accounts Notices	21.74	25.00	21.93	25.22
<b>S22</b>	<b>DOG TAX</b>				
S22A	Licence per dog	71.30	82.00	70.67	81.27
S22B	Social residents and registered indigent clients on application	no charge	no vat	no charge	no vat
<b>S23</b>	<b>FIRE SERVICES AND DISASTER MANAGEMENT</b>				
S23A	Plot clearing		applicable vat	Actual Cost + R964.92 admin. Fee	applicable vat
S23B	Re-inspection Fee under law	152.17	175.00	143.20	164.67
S23C	Extinguishing of structural fires		applicable vat	R1 626.26 PLUS add cost incurred	applicable vat
S23C1	Extinguishing of structural fires - per hour or part thereof per incident	R1 723.84 PLUS add cost incurred	no charge	no charge	no vat
S23C2	Extinguishing of structural fires - indigent households	no charge	no vat	no charge	no vat

OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S23C3	Control and Extinguishing of Veld fires payable by registered owner if fire had its sole origin on said owner's property: per hour or part thereof	R511.41 PLUS add cost incurred	applicable vat	R511.41 PLUS add cost incurred	applicable vat
S23C4	Extinguishing of vehicle/equipment fires per hour or part thereof	R438.60 PLUS add cost incurred	applicable vat	R438.60 PLUS add cost incurred	applicable vat
S23C5	Assistance at motor vehicle accidents and rescues	no charge	no vat	no charge	no vat
<b>S23D</b>	<b>Standby at fire scene</b>				
S23D1	Per hour or part thereof for vehicle and fire fighters	574.78	661.00	542.09	623.40
<b>S23E</b>	<b>Fire Prevention Inspections</b>				
S23E1	Tank installation - per tank	325.22	374.00	306.84	352.87
S23E2	LP Gas - per installation 48Kg and more incl bulk tanks	325.22	374.00	306.84	352.87
<b>S23F</b>	<b>Fire Safety</b>				
S23F1	1st compliance inspection per 20 minutes	132.17	152.00	no charge	no vat
S23F2	2nd and continuing compliance inspection per 20 minutes	132.17	152.00	306.84	349.80
S23F3	Rates Clearance Inspection	175.65	202.00	new	new
S23F4	Building Plan Scrutiny	175.65	202.00	new	new
S23F5	Fire Compliance Certificate	439.13	505.00	new	new
<b>S23G</b>	<b>Events</b>				
S23G1	Inspection of location and issuing of Population Certificate	217.39	250.00	204.56	235.24
S23G2	Standby at event - per event per day or part thereof for vehicle and fire fighters	1 084.35	1 247.00	1 022.80	1 176.23
<b>S23H</b>	<b>Burn Permits</b>				
S23H1	Burn Permit Inspection	271.30	312.00	255.70	294.06
<b>S23J</b>	<b>Special Services</b>				
S23J1	Ad hoc services	591.30	680.00	557.90	641.58
S23J2	Water Supply per hour, excluding water tariff as set out in structure	591.30	680.00	557.90	641.58
<b>S25</b>	<b>LAW ENFORCEMENT</b>				
<b>S25C</b>	<b>Impoundment of Hawkers Goods</b>				
S25C1	Per Impoundment	647.83	745.00	610.90	702.53
S25C2	Removal of illegal structure per structure	2 653.91	3 052.00	2 503.08	2 878.55
S25C3	Storage Fee per day	173.04	199.00	162.72	187.13
<b>S25D</b>	<b>Pound fee: Dogs and Cats</b>				
S25D1	Impoundment of Dogs and Cats per animal	70.44	81.00	66.02	75.92
S25D2	Pound fee: from day 2 per day per animal	45.22	52.00	42.77	49.19
<b>S25E</b>	<b>Pound fee: Other Animals</b>				
S25E1	Impoundment fee per week per animal	695.65	800.00	656.46	754.93
<b>S25F</b>	<b>Pound fee: Horses</b>				
S25F1	Impoundment fee per horse per animal	701.74	807.00	new	new
S25F2	Pound fee: per day per animal	175.65	202.00	new	new
<b>S25G</b>	<b>Pound fee: Sheep and Goats</b>				
S25G1	Impoundment fee: Sheep and Goats per animal	175.65	202.00	new	new
S25G2	Pound fee: per day per animal	87.83	101.00	new	new
<b>S25H</b>	<b>Pound fee: Pigs</b>				
S25H1	Impoundment of Pigs per animal	701.74	807.00	new	new
S25H2	Pound fee: per day per animal	132.17	152.00	new	new
<b>S25I</b>	<b>Pound fee: Pigs</b>				
S25I1	Impoundment of Sheep and Goats per animal	351.30	404.00	new	new

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# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S25I2	Pound fee: per day per animal	132.17	152.00	new	new
S25J	Pound fee: Poultry				
S25J1	Impoundment of Poultry per animal	87.83	101.00	new	new
S25J2	Pound fee: per day per animal	18.26	21.00	new	new
S25P	Bylaw on Outdoor Advertising				
S25P1	Impoundment of illegal Advertising/Agent boards (per board) - small <2400cm²	70.44	81.00	66.02	75.92
S25P2	Impoundment of illegal Advertising/Agent boards (per board) - large >2400cm²	696.52	801.00	656.46	754.93
S28	LIBRARY				
S28A1	Copies: A3 / Page	4.36	5.00	3.95	4.54
S28A3	Copies: A3 page Colour	7.83	9.00	7.46	8.58
S28A5	Copies: A4/Page	0.87	1.00	0.88	1.00
S28A7	Copies: A4 page Colour	5.22	6.00	4.83	5.55
S28B1	Deposit to person/s non-residents Fiction & Non-Fiction	394.00	no vat	371.00	no vat
S28C1	Fax per page - excluding 0865/6 numbers	4.78	5.50	4.39	5.05
S28C2	Fax per page - 0865/6 numbers	7.83	9.00	7.46	8.58
S28D1	Lost Cards: Laminated (R/card) first time	24.71	28.50	23.25	26.73
S28D1a	Lost Cards: Laminated (R/card)(subsequent lost card)	49.57	57.00	46.49	53.46
S28D2	Laminated Cost A3	6.09	7.00	5.26	6.05
S28D3	Laminated Cost A4	3.41	4.00	2.63	3.02
S28E1	Penalty per book per week	2.50	no vat	2.50	no vat
S28E2	Penalty per record/CD per week	2.10	no vat	4.50	no vat
S28E3	Penalty per video/DVD per day	4.50	no vat	2.50	no vat
S28F1	Scanning of Document - Black & White	20.00	23.00	18.59	21.38
S28F2	Scanning of Document - Colour	21.74	25.00	20.61	23.70
S28G1	Special Requests - Hold per Book	5.22	6.00	4.83	5.55
S28G2	Special Requests - ILL per Book	10.44	12.00	9.65	11.10
S28H1	Subscriptions/ reader - Adults (Non residents)	147.83	170.00	139.47	160.40
S28H2	Subscriptions/ reader - Children (Non residents)	93.92	108.00	88.60	101.89
S28H3	Subscriptions/ reader - Family max 5 (Non residents)	365.22	420.00	344.30	395.95
S28K	Visitor's fee - Handling charge / item	12.61	14.50	11.84	13.62
S28L1	Hire of Library Hall per Hour - Fundraising event	143.48	165.00	135.09	155.35
S28L2	Hire of Library Hall per Hour - NON- Fundraising event	27.83	32.00	26.32	30.27
S28M1	Minor Damage to book (per book)	27.83	32.00	26.32	30.27
S28M2	Damage or lost library material				
S30	STONY POINT				
S30A1	Visitors fee Stony Point Nature Reserve per day (persons 12 years and older)	19.13	22.00	17.54	20.17
S30A2	Visitors fee Stony Point Nature Reserve per day (children under 12 years)	9.57	11.00	8.77	10.09
S32	PARKING FEE				
S32P	Metered parking (excluding public holidays)				
S32Q	Parking Monthly Permit per vehicle	263.48	303.00	263.16	302.63
S32R	Per Quarter Hour of part of it - Monday to Friday 08:30 - 16:00	0.87	1.00	0.88	1.00
S32S	Per Half Hour of part of it - Monday to Friday 08:30 - 16:00	1.74	2.00	1.75	2.00
S32T	Per Hour Normal Monday to Friday : 08:30 - 16:00	3.48	4.00	3.51	4.00
S32T	Per Hour Saturday (08:30 - 16:00)	3.48	4.00	3.51	4.00

# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

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Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>S33</b>	<b>OPERATIONAL COST</b>				
S33A	Application fee for Installation of Street Signage (brown direction boards)				
<b>S34</b>	<b>PROPERTY ADMINISTRATION</b>				
<b>S34A</b>	<b>Application</b>				
S34A1	Lease or purchase of/for encroachment on Municipal Property (excluding Sport Facilities/Stalls and organs of state)	2 228.70	2 908.00	2 385.00	2 742.75
S34A2	Lease or purchase of Municipal Property - registered Social Care Institutions / NPO's / PBO's/Community organisations	542.61	624.00	542.08	623.40
S34A3	Temporary lease of Municipal Property for the storage of building materials next to building sites	542.61	624.00	new	new
<b>S34C</b>	<b>Encroachment Fee:</b>				
S34C1	Veranda, Balcony, Sign, Signboards or similar structure (per annum) (Par. 64.2)	436.52	502.00	411.92	473.70
S34C2	Encroachments onto Commonage, Public Open Spaces, or Conservation areas (per annum) (Par. 64.3)	436.52	502.00	411.92	473.70
S34C3	Enclosure or exclusive use or portions of the Commonage, Public Open Spaces, Road Reserves or Public Thoroughfares for gardening purposes (per m² per month) (Par 64.4)	12.61	14.50	11.81	13.58
<b>S34G</b>	<b>Leases</b>				
S34G1	Temporary use (<12months) of Municipal land for general purposes (per m² per month)	4.96	5.70	4.65	5.35
S34G2	Use of Municipal land for outdoor seating adjoining a Restaurant (per m² per month) (Par 64.5)	27.83	32.00	26.32	30.27
S34G3	Lease of Municipal land to registered Social Care Institutions / Organisations / NPO's / PBO's / Sport facilities/Community organisations R/month	140.00	161.00	131.58	151.32
<b>S34H</b>	<b>Radio Mast</b>				
S34H1	Equipment on Mast - per month per mast	1 922.61	2 211.00	1 813.16	2 085.14
S34H2	Space in building per m² - per month	506.09	582.00	477.00	548.55
S34H3	Space outside the building per m² - per month	253.91	292.00	238.97	274.81
S34H4	Land for installation of a new mast per m² - per month	64.35	74.00	60.44	69.51
<b>S34J</b>	<b>Memorial Benches</b>				
S34J1	Memorial Benches (Installation and application)	3 160.87	3 635.00	2 981.95	3 429.24
S34J2	Memorial Benches (per Annum)	253.91	292.00	238.97	274.81
<b>S36</b>	<b>PROPERTY INFORMATION</b>				
S36A1	Clearance Certificate (R/certificate) - ELECTRONIC (no rounding)	96.52	111.00	91.12	104.79
S36A2	Clearance Certificate (R/certificate) - MANUAL (no rounding)	293.04	337.00	276.16	317.59
S36B1	Deeds office registrations with sales information (R/100 even or part)	126.96	146.00	119.02	136.87
S36B2	Deeds office registrations with sales information (R/erf)	33.04	38.00	30.69	35.29
S36C	Extract from the Valuation Roll (R/page)	10.87	12.50	10.23	11.76
S36F	Revaluation fee	1 807.83	2 079.00	1 705.30	1 961.09
S36G1	Valuation Certificate (R/certificate) - ELECTRONIC (no rounding)	45.65	52.50	42.77	49.19
S36G2	Valuation Certificate (R/certificate) - MANUAL (no rounding)	152.17	175.00	143.20	164.67
S36H	Access of valuation roll information VARD	345.22	397.00	325.44	374.26
<b>S40</b>	<b>RENTAL: COMMUNITY HALLS</b>				
S40.1	All events hosted where the municipal Council or administration is the official host	free of charge	no vat	free of charge	no vat
S40.3	Elections by the Electoral Commission	as per IEC policy	applicable vat	as per IEC policy	applicable vat
S40.4	Events of Government Departments, Municipality in interest of community	free of charge	no vat	free of charge	no vat
<b>S40A</b>	<b>Auditorium &amp; Banquet Hall</b>				
S40A1	Deposit for all functions (excludes meetings)	1 800.00	no vat	1 802.00	no vat

-0.11%

OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S40A2	Hire of Auditorium and Banqueting Hall per Hour or part of a hour	604.35	695.00	570.18	655.70
S40A3	Hire of Auditorium per Hour or part of a hour	353.48	406.50	333.33	383.33
S40A4	Hire of Banqueting Hall per Hour or part of a hour	353.48	406.50	333.33	383.33
Note	Hiring of Kitchen (Banqueting Hall & Auditorium) used for the serving of food only is included in the hiring fee mentioned above as this facility forms an integral part of the building and cannot be separated there from.				
S40A5	Non-fundraising events for Schools, other training institutions and sport & recreation per day	460.00	529.00	433.30	498.29
S40A6	Piano per event		applicable vat	Actual Tuning Cost + R340.31 admin. Fee	applicable vat
S40A7	Sound and/or Lighting Equipment per event per hour	96.52	111.00	91.12	104.79
S40A8	Use of Kitchen per day	632.17	727.00	596.02	685.42
S40A9	Hire of Glasses or Cups, Savers and teaspoons per event	186.09	214.00	175.44	201.76
S40A10	Local NGO's and CBO's per hour per venue - all events	197.39	227.00	185.97	213.86
S40A12	Preparation for event - per hour	126.09	145.00	119.02	136.87
S40A13	Meetings: Government departments (private meetings), NGO's and CBO's from outside the municipal area, per hour (Banquet hall)	279.13	321.00	263.14	302.61
S40A14	Meetings: Local CBO's & NGO's per hour (Banquet hall only)	26.96	31.00	25.10	28.87
S40A15	Weddings, Birthdays and Special Occasions per day (including the Kitchen)	1 754.78	2 018.00	3 508.77	4 035.09
S40A16	Festivals/Exhibitions/Events per day (max 14 days). Both venues, excluding extras - more than 14 days refer to general tariffs	604.35	695.00	570.18	655.70
S40C	Rental Units - Kleinmond				
S40C1	Hire per room per month	42.61	49.00	39.98	45.58
S40E	Barbeekersbos / Betty's Bay / Blompark / Buffelslaas / Eluxoiweni / Hawston Abalone Hall / Kleinmond Youth Centre / Kleinmond Club House / Masakane / Moffat Hall / Moquutsile / Overfills / Pringle Bay / Proteadorp / Stanford / Stanford Committee Room / Zweilohle				
S40E4	Fundraising: (Karaoke) Per daytime or evening	278.93	320.77	263.14	302.61
S40E5	Funeral Tea (three hours)	114.78	132.00	107.86	124.03
S40E7	Non-fundraising events for Schools, other training institutions and sport & recreation	230.44	265.00	216.65	249.15
S40E8	Meetings: Local CBO's and NGO's per hour	26.96	31.00	25.10	28.87
S40E9	Non-fundraising (parties) Per daytime or evening	140.00	161.00	132.03	151.84
S40E10	Use of Kitchen - Fundraising events per event	253.91	292.00	238.97	274.81
S40E11	Use of Kitchen - Non Fundraising	253.91	292.00	238.97	274.81
Note	Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge separately)				
S40J	Kleinmond Hall, & Hawston Trustong Centre				
S40J1	Deposit: (refundable) Government Offices & Government Meetings.	524.00	no vat	493.96	no vat
S40J2	Deposit (refundable): Hawston Trustong Centre	1 304.00	no vat	1 229.60	no vat
S40J3	Fundraising: Karaoke, Dances competitions, etc. per daytime or evening	632.17	727.00	596.02	685.42
S40J4	Church Services per day	87.83	101.00	new	new
S40J5	Funeral Tea (three hours)	114.78	132.00	107.86	124.03
S40J6	Government Imbizos (per day)	1 947.83	2 240.00	1 837.33	2 112.93
S40J7	Non-fundraising events for Schools, other training institutions and sport & recreation	230.44	265.00	216.65	249.15
S40J8	Meetings: Government Departments (private meetings) & CBO's outside Municipal area per hour	279.13	321.00	263.14	302.61
S40J9	Meetings: Local CBO's, NGO's per hour (only large groups > 30) - (No Deposits)	26.96	31.00	25.10	28.87
S40J10	Preparation for event - per hour	66.09	76.00	new	new
S40J11	Non-fundraising Parties, weddings, indoor sports, etc. per daytime or evening	316.52	364.00	119.02	136.87



OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S40J12	Tariff for events continuing after midnight (24h00) per hour	193.04	222.00	new	new
S40J13	Sound OR Lighting Equipment per event (each item) per hour	97.39	112.00	91.12	104.79
S40J14	Use of kitchen (per event per day)	304.35	350.00	286.39	329.34
S40J15	Use of kitchen for water jugs and glasses or tea cups & sauces (per event per day)	44.35	51.00	new	new
Note	Daytime = 07:00 - 17:00 // Evening = 18:00 - 24:00 (Charge separately)				
S43	<b>RENTAL: HAWKERS' STALLS, OPEN SPACES &amp; BEACHES</b>				
S43A	<b>CBD</b>				
S43A1	All open stalls per day (demarcated area)(excluding Western Cape December Holiday plus Easter Weekend)	26.96	31.00	25.10	28.87
S43A2	Open Stalls per day (Western Cape December Holiday plus Easter Weekend)	39.13	45.00	36.26	41.70
S43B	<b>Outside the CBD</b>				
S43B1	Open Stalls Rental - Western Cape December Holiday plus Easter Weekend / pm	86.96	100.00	81.82	94.09
S43B2	Open Stalls Rental - excluding Western Cape December Holiday plus Easter Weekend / pm	37.39	43.00	35.33	40.63
S43D	<b>Public Open Space</b>				
S43D1	Car Park - Private Car Sales per day (demarcated areas)	34.78	40.00	32.54	37.42
S43D2	Funfair, Circus etc per day	822.61	946.00	775.47	891.80
S43D3	Welfare, churches, non-profit organizations	no charge	no vat	no charge	no vat
S43D4	Sport Events per day	3 729.57	4 289.00	3 518.46	4 046.23
S43F	<b>Beaches</b>				
S43F1	Beach Rentals - per day (Private functions)	1 201.74	1 382.00	1 133.46	1 303.48
S46	<b>RENTAL: OFFICE</b>				
S46A	Rental per m <sup>2</sup> / pm	114.78	132.00	107.86	124.03
S46A1	Rental per m <sup>2</sup> / pm (except the Hermanus area)	57.39	66.00	53.93	62.02
S46A2	NGO's/NPO's per m <sup>2</sup> / pm	34.78	40.00	32.54	37.42
S46B	Local Council Functions	no charge	no vat	no charge	no vat
S48	<b>RENTAL: SPORT FACILITIES</b>				
S48A	<b>Spaces for Sport - Gansbaai</b>				
S48A1	Club House - per hour (private events)	159.13	183.00	149.70	172.16
S48A2	Club House - Sport events hosted by Overstrand Sport and Recreation structures	no charge	no vat	no charge	no vat
S48A3	Club House - Sport Event - per hour	80.00	92.00	75.31	86.61
S48A4	Sport grounds - Per event hosted by non Overstrand Sport and Recreation structures	1 563.48	1 798.00	1 474.70	1 695.91
S48A6	Sport grounds - Functions/Events (excluding departmental events)	862.61	992.00	813.59	935.63
S48A7	Gym fees per month	80.87	93.00	76.25	87.68
S48B	<b>Overhills</b>				
S48B1	Sport grounds - Per event hosted by non Overstrand Sport and Recreation structures	1 563.48	1 798.00	1 474.70	1 695.91
S48B2	Sport grounds - Functions/Events (excluding departmental events)	862.61	992.00	813.59	935.63
S49	<b>RENTAL: UNDEVELOPED SERVICES/PERVEN</b>				
S49A	Wetcore Stands (Social Housing) - rent per month	32.17	37.00	29.75	34.22
S50	<b>SCHUSS HOUSES/MEERMOND (Meermonde)</b>				
S50A	Rent per month	936.52	1 077.00	883.33	1 015.83
S55	<b>SUNDRY</b>				
S55A	Access to Information - per Act of 2010 Tariffs	As Stipulated in the Act	applicable vat	As Stipulated in the Act	applicable vat
S55B1	Administration Cost - RD 2010	actual cost + R45.34	applicable vat	63.23	72.71
S55B2	Administration Cost - RD 2010	actual cost + R45.34	applicable vat	actual cost + R42.77	applicable vat
S55B3	Administration Cost - Trace on Direct Deposit	actual cost + 92.11	applicable vat	86.47	99.45

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Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S55C	Copies of Council Agendas and Minutes per annum	1 306.09	1 502.00	1 232.02	1 416.82
S55D1	Copies: A3 page	4.35	5.00	3.95	4.54
S55D2	Copies: A3 page Colour	7.83	9.00	7.46	8.58
S55D3	Copies: A4 page	1.83	2.10	1.75	2.01
S55D4	Copies: A4 page Colour	5.22	6.00	4.83	5.55
S55E	Foreign Bank Cost		applicable vat	actual cost	applicable vat
S55F1	Fax per page - excluding 0865/6 numbers	4.78	5.50	4.39	5.05
S55F2	Fax per page - 0865/6 numbers	7.83	9.00	7.46	8.58
S55G1	Interest on accounts in arrears		no vat	prime + 4%	no vat
S55G2	Placard / Poster Deposit for Elections	4 326.00	no vat	4 081.00	no vat
S55G4	Placard / Poster Deposit for Political Parties	4 326.00	no vat	4 081.00	no vat
S55H	Placard / Poster each	15.65	18.00	14.32	16.47
S55I	Duplicate Account				
S55I1	Duplicate PayDay pay slip	7.83	9.00	7.16	8.23
S55J	Section 62 of local Government: Systems Act: appeal deposit (refundable if appeal is upheld)	8.26	9.50	7.70	8.86
S55K1A	Tender objection deposit (refundable if appeal is upheld)	3 046.00	no vat	2 873.00	no vat
S55K1B	Tender objection deposit (partially upheld - refundable)	3 046.00	no vat	2 873.00	no vat
S55K2	Tender documentation Administration Fee: (less than 20 pages)	1 517.00	no vat	1 431.00	no vat
S55K3	Tender documentation Administration Fee: (more than 21 pages less than 50 pages)	30.87	35.50	28.82	33.14
S55K4	Tender documentation Administration Fee: (more than 50 pages)	162.61	187.00	155.28	178.57
S55L	Advertising Signs Auctioneers per 14days	658.26	757.00	621.12	714.29
S55K1	Laminated Cost A3	468.70	539.00	441.67	507.92
S55K2	Laminated Cost A4	6.09	7.00	5.26	6.05
S55K2	Laminated Cost A4	3.48	4.00	2.63	3.02
<b>S60 SWIMMING POOL</b>					
S60A	Daily Tariffs (01 December - 31 March & Easter Weekend & Events approved by the Administration)				
S60A1	Persons older than 16 years of age - per person per DAY or part of a day	4.35	5.00	4.39	5.05
S60A2	Children (< 16years) per child per day or part of a day	No Charge	no vat	No Charge	no vat
S60A4	Galas	96.52	111.00	91.12	104.79
S60A5	Training sessions (Schools & Clubs) per season	152.17	175.00	143.20	164.67
<b>S65 TOP MANAGEMENT CONSULTATIONS</b>					
S65A1	Consultation Fee (Top Management) per hour	930.44	1 070.00	877.19	1 008.77
<b>S72 TOWN PLANNING: APPLICATION FEES</b>					
S72A	Amendment, deletion or additional conditions in respect of an existing approval	2 148.70	2 471.00	2 027.02	2 331.07
S72B	Application for deviation of SDF/96 for 10 days	2 528.70	2 908.00	2 385.00	2 742.75
S72F	Removal of Title Deed Restrictions				
S72F1	Even smaller than 150m²	235.22	270.50	new	new
S72F2	Even between 150 m² and 400 m²	470.17	540.70	443.53	510.05
S72F3	Even larger than 400 m²	3 580.00	4 117.00	3 377.12	3 883.69
S72G	Consolidations				
S72G1	Even smaller than 150m²	220.87	254.00	new	new
S72G2	Even between 150 m² and 400 m²	443.48	510.00	418.42	481.19
S72G3	Even larger than 400 m²	2 528.70	2 908.00	2 385.00	2 742.75
S72H	Subdivision (cumulative)				
S72H1	up to 5 even	4 930.44	5 670.00	4 650.98	5 348.63



OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S72H2	6 to 10 erven	5 815.65	6 688.00	5 485.97	6 308.86
S72H3	More than 10	5 815.65	6 688.00	7 751.95	8 914.74
S72H3A	Additional per erf after 10	87.83	101.00	new	new
S72I	Application for Consent Use/Special Use/Occasional Use/Additional Consent				
S72I1	Erven 150m² and smaller	200.00	230.00	new	new
S72I2	Erven between 150m² and 400m²	532.17	612.00	502.10	577.42
S72I3	Erven larger than 400m²	2 528.70	2 908.00	2 385.00	2 742.75
S72J	Application for Rezoning				
S72J1	Erven 150 m² and smaller	532.17	612.00	502.10	577.42
S72J2	Erven between 150 m² and 400 m²	4 172.17	4 798.00	3 935.95	4 526.34
S72J3	Erven between 400 and 5000m²	5 815.65	6 688.00	5 485.97	6 308.86
S72J4	Erven larger than 5000m²	5 815.65	6 688.00	new	new
S72J4A	Erven larger than 5000m² additional per land use (Excluding Public Open Spaces and Public Roads)	877.39	1 009.00	new	new
S72K	Departure to Section 16(2)(b) and (c) of OM Land Use Planning Bylaw				
S72K1A	Erven 150m and smaller	200.00	230.00	new	new
S72K1B	Erven between 150m² and 400m²	442.61	509.00	394.25	453.38
S72K1C	Erven larger than 400m²	2 528.70	2 908.00	2 385.00	2 742.75
S72L	Appeal deposit in terms of Section 78(2) of the Bylaw on Municipal Land Use Planning (refundable if appeal is upheld)				
S72L1	Erven smaller than 150m²	300.00	no vat	new	new
S72L2	Erven between 150m² and 400 m²	562.00	no vat	530.00	no vat
S72L3	Erven larger than 400m²	3 034.00	no vat	new	new
S72M	Amendment of site development plan, Constitution/Architectural Guidelines, Phasing, amendment or cancellation of a plan of subdivision or a part thereof	1 839.13	2 115.00	1 734.12	1 994.24
S72N	Determination of Zoning				
S72N1	Erven 150m² and smaller	532.17	612.00	502.10	577.42
S72N2	Erven 150m² and 400m²	4 172.17	4 798.00	3 935.95	4 526.34
S72N3	Erven larger than 400m²	5 815.65	6 688.00	5 485.97	6 308.86
S72N4	Disestablishment of HOA	2 528.70	2 908.00	2 385.00	2 742.75
S72P	Relaxation of Title Deed				
S72P1	Erven 400m² and smaller	442.61	509.00	417.49	480.12
S72P2	Erven larger than 400m²	2 516.52	2 894.00	2 373.84	2 729.91
S72Q	Permission in terms of Zoning Scheme				
S72Q1	Erven 150m² and smaller	200.00	230.00	new	new
S72Q2	Erven between 150m² and 400m²	442.61	509.00	416.56	479.04
S72Q3	Erven larger than 400m²	2 528.70	2 908.00	new	new
S72Q4	Closure of Public Place/Part thereof	5 815.65	6 688.00	5 485.97	6 308.86
S72R	Extension of Time	671.30	772.00	633.21	728.19
S72S	Exemption in terms of Section 26	100.00	115.00	new	new
S75	TOWN PLANNING: LAND USE PLANNING				
S75A1	Advertising Costs Government Gazette	3 539.13	4 070.00	3 339.00	3 839.85
S75A2	Advertising Costs Local newspaper	3 539.13	4 070.00	3 339.00	3 839.85
S75A3	Advertising Costs Local Newspaper (Removal of Restriction only)	7 078.26	8 140.00	11 157.90	12 831.58
S75A4	Advertising Costs - Placing of Final Notice in the Government Gazette	1 000.00	1 150.00	2 168.35	2 493.60

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OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
S75B	Regulations of Zoning schemes	418.26	481.00	394.25	453.38
S75C	Spatial Development Framework	986.96	1 135.00	930.75	1 070.37
S75D	Zoning Certificate	253.91	292.00	238.97	274.81
S75E	Registered Letters - more than 10 letters, applicant to pay applicable tariffs according to the South African Post Office Rates	applicable rate	applicable vat	applicable rate	applicable vat
S75F	CD - Planning Documents	418.26	481.00	394.25	453.38
S75G	Search Fee	253.91	292.00	new	new
S75H	Section 30(2) Certification / Clearance	1 500.00	1 725.00	new	new
S75I	Determination of a Contravention Penalty	20% of built cost of as determined by a Quantity Surveyor	applicable vat	new	new
<b>S80</b>	<b>TRAFFIC</b>				
<b>S80J</b>	<b>Business &amp; Other Events</b>				
S80J1	Per officer per hour or part thereof - Mon - Sat	442.61	509.00	417.49	480.12
S80J2	Per officer per hour or part thereof - Sundays and public Holidays	506.09	582.00	477.00	548.55
S80J4	Administrative fee for provision of officers - per application	126.09	145.00	119.02	136.87
<b>S80K</b>	<b>Removal of Vehicles/Towing Fee</b>				
S80K1	Removal of Vehicles per vehicle	1 062.61	1 222.00	1 002.35	1 152.70
S80K2	Storage Fees per day	292.17	336.00	275.23	316.51
S80K3	Towing Charge	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat
S80K4	Wheel Clamping per vehicle	278.26	320.00	262.21	301.54
<b>S80L</b>	<b>Traffic Cones</b>				
S80L1	Hire of Traffic Cones per Cone per day	64.35	74.00	60.44	69.51
<b>S80P</b>	<b>Disabled Parking Token</b>				
S80P1	Disabled Parking Token per application - valid for 2year period	115.65	133.00	108.79	125.11
S80P2	Temporary Disabled Parking Token per application - valid for 1year period	104.35	120.00	new	new



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6.09%  
6.04%  
6.25%  
  
6.09%  
  
6.02%  
6.10%  
5.94%  
  
6.01%  
6.16%  
6.12%  
6.47%  
6.31%

## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## REFUSE (SOLID WASTE) TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
		R	R	R	R
<b>SAN1</b>	<b>REFUSE REMOVAL (1 removal per week of 4 bags or 1X240 Bin)</b>				
	<b>DOMESTIC WASTE</b>				
SAN1A	Residential (All registered even/unit with approved building plan) 1 x removal per week (R/Month)	164.35	189.00	155.04	178.29
SA1A2	Residential Indigent (All registered even/unit with approved building plan) 1 x removal per week (R/Month)	164.35	189.00	155.04	178.29
	<b>BUSINESS WASTE</b>				
SAN1C	Commercial/Business (Hostels, Old Age Homes, Caravan Sites, Semi-permanent Resorts etc) (R/Month)	164.35	189.00	155.04	178.29
SA1N1	Bulk Container 240L (Wheeler bin) (R/Month) 1 X per week (if available)	164.35	189.00	155.04	178.29
SAN1N	Bulk Container 240L (Wheeler bin) (R/Month) 2 X per week (if available)	328.70	378.01	310.07	356.58
SA1N3	Bulk Container 240L (Wheeler bin) (R/Month) 3 X per week CBD (if available)	493.04	567.00	465.11	534.87
SA1N4	Bulk Container 240L (Wheeler bin) (R/Month) 4 X per week CBD (if available)	657.39	756.00	620.14	713.16
SA1N2	Bulk Container 240L (Wheeler bin) (R/Month) 5 X per week CBD (if available)	821.74	945.00	775.18	891.45
SAN1O	Camp/ill Route (R/Month) (if available)	1 291.30	1 485.00	1 218.22	1 400.95
SAN1P	Additional Removals per week on Saturday per Bin (R/Month) per removal	246.52	283.50	232.55	267.44
SA1P1	Additional Removals on request Central Town (CBD) per bin (R/Month) (Sunday or Public Holidays)	328.70	378.01	310.07	356.58
SA1P2	All CBD's additional Removal during normal working week, per Bin, per removal	38.00	43.70	35.78	41.15
SA1P3	All CBD's additional Removal on Saturday, per Bin per removal	57.00	65.55	53.67	61.72
SA1P4	All CBD's additional Removal during Sunday or Public Holidays, per Bin per removal	76.00	87.40	71.56	82.29
SA1Q	Caravan Sites, Chalets, Semi-permanent & Resorts (R/Month) (Ullenskraalmond Vakansieoord; Franskraal Vakansieoord; Pearly Beach Camp, Micheal Fuchs Guesthouse) NO REMOVAL (per unit/site)	52.87	60.80	49.83	57.31
SAN1R	Departmental Consumption (Municipal Consumption per removal site per month)	140.87	162.00	132.89	152.83
SAN1U	Schools (R/Month)	164.35	189.00	155.04	178.29
SAN1T	Removal outside service area (per removal per unit) (if available)	1 232.61	1 417.50	1 162.81	1 337.23
SAN1V	Single Quarters & Transit Camps per unit	52.83	60.75	49.83	57.31
SAN1W	Guesthouses, Bed & Breakfast (R/Month)	164.35	189.00	155.04	178.29
SAN1X	Removal of food waste for safe disposal (Paper Collection)	327.22	376.30	308.70	355.01
<b>SAN2</b>	<b>SELF DUMPING TRANSFER STATIONS (rounding applicable)</b>				
SA2A1	Vehicles up to 1 Ton per vehicle load capacity (clean builders rubble admission to transfer station)	no Charge	no vat	no Charge	no vat
SA2A2	Vehicles up to 1 Ton per vehicle load capacity (mixed builders rubble NO ADMISSION to Transfer Station. Only to landfill as per tariff SA2B)	applicable tariff	applicable vat	applicable tariff	applicable vat
SA2B	Vehicles up to 1 Ton per vehicle load capacity (maximum volume of 2.5m³)	no Charge	no vat	no Charge	no vat
SA2B1	Vehicles >1 & up to 2 Ton per vehicle load capacity	238.61	274.40	225.02	258.77
SA2B2	Vehicles >2 & up to 3 Ton per vehicle load capacity	357.91	411.60	337.53	388.15

# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018		
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
SA2B3	Vehicles >3 & up to 4 Ton per vehicle load capacity	477.22	548.80	450.03	517.54	6.04%
SA2B4	Vehicles >4 & up to 5 Ton per vehicle load capacity	596.52	686.00	562.54	646.92	6.04%
SA2B5	Vehicles >5 & up to 6 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	715.83	823.20	675.05	776.31	6.04%
SA2B6	Vehicles >6 & up to 7 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	835.13	960.40	787.56	905.69	6.04%
SA2B7	Vehicles >7 & up to 8 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	954.44	1 097.61	900.07	1 035.08	6.04%
SA2B8	Vehicles >8 & up to 9 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 073.74	1 234.80	1 012.58	1 164.46	6.04%
SA2B9	Vehicles >9 & up to 10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 193.04	1 372.00	1 125.08	1 293.85	6.04%
SA2B11	Vehicles >10 Ton per vehicle load capacity (no admission to transfer station, only to dumping sites)	1 431.65	1 646.40	1 350.10	1 552.62	6.04%
SA2C	Dumping at Karwyderskraal Landfill Site by other municipalities and external parties, per Ton	145.61	167.45	136.69	157.19	6.53%
<b>SAN3</b>	<b>WEIGH BRIDGE (rounding applicable)</b>					
SAN3A	Vehicles up to 1 ton load capacity	no Charge	no vat	no Charge	no vat	
SAN3B	Vehicles above 1 ton load capacity, per ton load weighed	119.31	137.20	112.51	129.38	6.04%
<b>SAN4</b>	<b>BASIC FEE REFUSE SERVICE (Even without approved building plans)</b>					
SAN4A	All registered erven without approved building plans (R/Month)	82.17	94.50	77.51	89.13	6.02%
<b>SAN5</b>	<b>SUNDRIES (rounding applicable)</b>					
SAN5A	Rental of Bulk Container per day (including disposal)	87.74	100.90	82.01	94.31	6.98%
SAN5B	Deposit - rental of bulk containers per 4 bins or less	665.00	no vat	628.58	no vat	5.79%
SAN5C	Asbestos Sheet - per unit	62.26	71.60	58.71	67.52	6.04%
SAN5D	Baboon Resistant 240L Wheelie bin with lock delivered to homes - projects	887.74	1 020.90	836.84	962.36	6.08%
SAN5E	Replacement lock on baboon resistant wheelie bin	325.48	374.30	307.02	353.07	6.01%
SAN5F	<b>Selling of Chipped Organic Material</b>					
SANF1	Per ton	350.87	403.50	new	new	
SANF2	Per cubic (m³)	78.96	90.80	new	new	



## SEWER TARIFFS (ROUNDING APPLICABLE)

Tariff list 2018/2019

OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
	After Hours for Vacuum Tanker Service outside urban areas - PROVIDED ON REQUEST				
SE9C6	After Hours Applicable Tariff (SE9B1 or SE9B2 or SE9B3) PLUS additional per hour PLUS SE9C7	317.91	365.60	299.83	344.81
SE9C7	After Hours Applicable Tariff (SE9B2) plus additional per km	15.52	17.85	14.63	16.83
SE10	SUNDRY CHARGES (Rounding Applicable)				
SE9D	Testing and Connection Fees				
SE9D1	Testing of the septic and conservancy tanks per test	1 377.39	1 584.00	1 299.04	1 493.90
SE9D2	Smallbore sewerage connection fee + tank test	6 320.87	7 269.00	5 962.97	6 857.41
SE9D3	Sewer Connection	4 736.52	5 447.00	4 467.80	5 137.98
SE9E	Disposal				
SE9E1	Charge per kl or part thereof	68.96	79.30	65.05	74.81
SE11	ILLEGAL CONNECTION / TAMPERING FEE				
SE11A	1st Offence	6 495.00	no vat	6 126.80	no vat
SE11B	2 nd Offence (SE11A X 2)	12 990.00	no vat	12 253.60	no vat
NOTE: Any requests for tanker services after 15:00 will be charged at the after hour rate					



## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## ELECTRICITY TARIFFS (ROUNDING APPLICABLE) (Before NERSA approval 2018/2019)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
CONSUMER DEPOSITS					
ED					
ED1	Large Power User Group tariff E5 (excluding Kleinmond)	R	0.00	no vat	no vat
ED2	Large Power User Group tariff E5 Kleinmond 2 weeks highest average consumption	R	calculated	calculated	no vat
ED3	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity	R	2 186.00	no vat	no vat
ED4	Domestic Three Phase Credit Meter (Two Part Tariff) - Electricity	R	3 827.00	no vat	no vat
ED5	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity	R	8 747.00	no vat	no vat
ED6	Domestic & Commercial Single Phase Pre-paid (Two Part Tariff) - Electricity	R	503.00	no vat	no vat
ED7	Domestic & Commercial Three Phase Pre-paid (Two Part Tariff) - Electricity	R	1 006.00	no vat	no vat
ED8	Large Power User Group tariff E5 (excluding Kleinmond)	R	163.00	no vat	no vat
EDD	Deposit Defaulters				
EDD1	Large Power User Group tariff E5 : Two Times average consumption during the preceding 12 months	R	calculated	no vat	no vat
EDD2	Domestic & Commercial Single Phase Credit Meter (Two Part Tariff) Electricity : Two Times average consumption during the preceding 12 months	R	calculated	calculated	no vat
EDD3	Domestic Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	no vat	no vat
EDD4	Commercial Three Phase Credit Meter (Two Part Tariff) - Electricity : Two Times average consumption during the preceding 12 months	R	calculated	calculated	no vat
FIXED CHARGES					
EF					
EF1	Infrastructure Charge per Meter per month	R	16.65	19.15	19.15
SINGLE PHASE : DOMESTIC					
E1A	Two-Part Tariff: Credit meters up to 60 Amp (13.8 kVA BDMD) (including Resorts)				
E1A1	Basic Monthly charge per meter	R	291.60	335.34	267.52
KWH Unit cost					
E1A2	IBT BLOCK 1 0 - 350 kwh	C	114.88	132.11	108.58
E1A3	IBT BLOCK 2 351 - 600 kwh	C	167.82	192.99	158.17
E1A4	IBT BLOCK 3 > 600 kwh	C	206.02	236.92	192.81
Two-Part Tariff: Pre-paid up to 60 Amp (13.8 kVA BDMD) (including Resorts)					
E1B					
E1B1	Basic Monthly charge per meter	R	291.60	335.34	267.52
KWH Unit cost					
E1B2	IBT BLOCK 1 0 - 350 kwh	C	106.12	122.03	100.30
E1B3	IBT BLOCK 2 351 - 600 kwh	C	158.14	181.86	149.04
E1B4	IBT BLOCK 3 > 600 kwh	C	198.03	227.73	185.33
SINGLE PHASE : COMMERCIAL					
E1C					
E1C1	Basic Monthly charge per meter	R	291.60	335.34	267.52
E1C2	KWH Unit cost - Credit Meters	C	171.02	196.68	161.19
E1C3	KWH Unit cost - Pre-paid meters	C	161.16	185.34	151.90
E1D	Life Line One part tariff (Pre-paid meters daily) ≤ 350amp with Maximum consumption of 350 kwh with average measured over twelve month period. Only available to informal dwellings				
KWH Unit cost					
E1D1	IBT BLOCK 1 0 - 350 kwh	C	107.28	123.38	101.40





OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>E1E</b>	<b>One part tariff (Pre-paid meters only) Local Economic Development Projects</b>				
	kWh Unit cost				
E1E1	IBT BLOCK 1 0 - 350 kWh	c	185.35	213.15	175.19
					201.47
<b>E3</b>	<b>THREE PHASE: COMMERCIAL &amp; DOMESTIC</b>				
<b>E3E</b>	<b>Two-Part Tariff: Credit up to 100A (70 kVA BDMD) DOMESTIC</b>				
E3E1	Basic Monthly charge per meter	R	583.19	670.67	535.04
					615.29
	kWh Unit cost				
E3E2	IBT BLOCK 1 0 - 350 kWh	c	114.87	132.11	108.58
E3E3	IBT BLOCK 2 351 - 600 kWh	c	167.82	192.98	158.17
E3E4	IBT BLOCK 3 > 600 kWh	c	205.24	236.03	192.81
					221.73
<b>E3E</b>	<b>Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) DOMESTIC</b>				
E3E5	Basic Monthly charge per meter	R	583.19	670.67	535.04
					615.29
	kWh Unit cost				
E3E6	IBT BLOCK 1 0 - 350 kWh	c	106.12	122.03	100.30
E3E7	IBT BLOCK 2 351 - 600 kWh	c	158.14	181.86	149.04
E3E8	IBT BLOCK 3 > 600 kWh	c	197.15	226.72	185.33
					213.13
<b>E3E</b>	<b>Two-Part Tariff: Credit up to 100A (70 kVA BDMD) COMMERCIAL</b>				
E3E9	Basic Monthly charge per meter	R	583.19	670.67	535.04
E3E10	kWh Unit cost	c	171.02	196.68	161.19
					185.37
<b>E3E</b>	<b>Two-Part Tariff: Pre-paid up to 100A (70 kVA BDMD) COMMERCIAL</b>				
E3E11	Basic Monthly charge per meter	R	583.19	670.67	535.04
E3E12	kWh Unit cost	c	161.17	185.34	151.90
					174.69
<b>E3G</b>	<b>One-Part Tariff: Pre-paid only; up to 100A (70 kVA BDMD)</b>				
E3G1	Businesses, Flats, Sport grounds, Churches (minimum of 300kWh average for twelve months)				
	kWh Unit cost	c	203.41	233.92	191.72
					220.47
<b>E5</b>	<b>TIME OF USE TARIFF</b>				
	Service Charge (per month) for MV and LV consumers				
E5A1	Administrative and Service Charge per month	R	2 820.47	3 243.55	2 639.66
E5A2	Network Demand Charge KVA: Utilised capacity	R	26.57	30.55	24.86
E5A3	Network Capacity Charge KVA: Notified Maximum Demand (NMD)	R	21.14	24.31	19.78
					22.75
	Medium Voltage Metering Points (MVP)				
E5A4	Off Peak kWh Unit Charge	c	46.81	53.84	43.81
E5A5	Standard kWh Unit Charge	c	84.26	96.90	78.86
E5A6	Peak kWh Unit Charge	c	273.84	314.92	256.29
					294.73
	Low Voltage Metering Points (LVP)				
E5A7	Off Peak kWh Unit Charge	c	50.33	57.88	47.10
E5A8	Standard kWh Unit Charge	c	87.77	100.93	82.14
E5A9	Peak kWh Unit Charge	c	277.36	318.96	259.57
					298.51
	Sundry Charges				
E5A10	Exceed NOTIFIED MAXIMUM DEMAND (NMD) per kVA Per month	R	978.95	1 125.79	923.79
					1 062.36



OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>E6</b>	<b>SUBSIDIZED TARIFFS: Grant to be shown separately</b>				
<b>E7</b>	<b>PUBLIC LIGHTING</b>				
E7A1	Streetlights (metered) per kWh	74.24	85.38	69.48	79.90
E7A2	Streetlights (consumption) (R per 100watt /per month)	26.04	29.94	24.37	28.03
E7A5	Illuminated street sign boards per month	26.04	29.94	24.37	28.03
<b>E8</b>	<b>CASUAL SUPPLIES</b>				
E8A1	Per connection includes disconnection excluding hire of kiosk	1 025.22	1 179.00	967.02	1 112.07
E8A2	Consumption per day if not metered	66.61	76.60	6.80	7.82
E8A3	Hire of temporary distribution kiosk, per kiosk, per occasion	401.74	462.00	378.44	435.21
E8A4	Deposit (Usage will be subtracted)	1 383.00	no vat	1 303.80	no vat
E8A5	One part tariff - Prepaid or Credit Casual Supply	202.28	232.62	190.65	219.25
<b>E9</b>	<b>AVAILABILITY CHARGES</b>				
E9A1	Availability charge per vacant plot per month	291.60	335.34	267.52	307.65
E9A2	Infrastructure per vacant plot per month	16.65	19.15	16.65	19.15
<b>E10</b>	<b>SUNDRY CHARGES</b>				
E10A1	Call-out Fee - office hours (Based on 2 hours for electr & assist + 30km)	656.17	754.60	618.57	711.36
E10A2	Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 30km)	921.04	1 059.20	868.22	998.46
E10A3	Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 30km)	1 185.22	1 363.00	1 117.90	1 285.58
E10A4	MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 60km)	1 910.52	2 197.10	1 801.63	2 071.87
E10A5	MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 60km)	2 738.61	3 149.40	2 583.20	2 970.88
E10A6	MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 60km)	3 566.78	4 101.80	3 364.76	3 869.47
E10A7	Contractor Inspection 2nd	642.17	738.50	605.31	696.11
E10A8	Contractor Inspection 3rd	969.57	1 115.00	914.02	1 051.12
E10A9	Change of Circuit Breaker - S/Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	513.22	590.20	483.55	556.08
E10A10	Change of Circuit Breaker - 3 Phase(1/annum) contact Electricity Department for approval (Based on Circuit Breaker cost + 1 hour for an electrician and assistant + 30km)	1 308.78	1 505.10	1 233.87	1 418.95
E10A11	Disconnection	314.78	362.00	296.61	341.11
E10A12	Reconnection	314.78	362.00	296.61	341.11
E10A13	Verification of a Meter Reading	314.78	362.00	296.61	341.11
E10A14	Administration fee - recalculation due to meter access	163.48	188.00	154.35	177.50
E10A15	Test of Meter: 1 & 3 Phase (Conditionally Refundable) External testing	604.35	695.00	570.17	655.70
E10A16	Test of Meter: All other Meters (Conditionally Refundable) External testing	cost + 15%	applicable vat	cost + 15%	applicable vat
E10A17	Tariff change - change between one phase and live wire	213.91	246.00	201.77	232.04
E10A18	Damage elect meter (based on meter cost + call out fee)	2 151.30	2 474.00	2 029.08	2 333.45
E10A19	Damage elect meter 3 phase (based on meter cost + call out fee)	3 285.22	3 778.00	3 098.86	3 563.69
E10A20	Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)	1 083.48	1 246.00	1 021.43	1 174.64
E10A21	Damage of Bulk meter (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost)	7 110.09	8 176.60	7 110.09	8 176.60

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OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E10A22	Change to Time of Use (with existing bulk meter) + Deposit on request of user	R	641.74	605.31	696.11
E10A23	Change to SSEG or Time of Use (without existing bulk meter) + Deposit	R	11 136.52	10 505.16	12 080.94
E10A24	Commission of Bulk meter, supplied by customer (call out fee x 3)	R	1 967.83	1 855.72	2 134.08
E10A25	Damage of HV Cable	R	cost + R35 858.57	cost + R33 828.84	applicable vat
E10A26	Damage of MV Cable	R	cost + R 9 374.19	cost + R 8 843.58	applicable vat
E10A27	Damage of LV Cable	R	cost + R 3 775.30	cost + R3 561.6	applicable vat
E10A28	Damage of Service Connection Cable	R	cost + R 943.82	cost + R890.40	applicable vat
E10A29	Working without Way leave	R	4 839.13	4 564.51	5 249.18
E10A30	Refundable Wayleave deposit for HV cables	R	69 110.00	65 197.42	no vat
E10A31	Refundable Way leave deposit for MV cables	R	17 278.00	16 299.62	no vat
E10A32	Refundable Way leave deposit for LV cables	R	3 733.00	3 521.32	no vat
E10A33	Cancellation Fee of requested service	R	15% of Service Value	15% of Service Value	no vat
E10A34	Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)	R	782.61	738.28	849.02
<b>CONVERSION OF METERS</b>					
E12A1	Convert Credit Meter to Pre-paid: SP (no cable work) (based on meter cost + call out)	R	1 495.65	1 410.51	1 622.09
E12A2	Convert Credit Meter to Pre-paid: 3P (no cable work) (based on meter cost + call out)	R	2 629.57	2 480.28	2 852.33
E12A3	Convert Credit Three Phase to Single Phase Pre-paid meter	R	1 350.44	1 273.86	1 464.93
E12A4	Convert Credit Three Phase to Single Phase Credit (Commercial only)	R	1 019.13	961.44	1 105.65
E12A5	Convert Pre-paid Single Phase to Three Phase Pre-paid (based on tariff E13A8) cost includes cable to boundary	R	R9 802.29 + ext fee	R9 247.44 + ext fee	applicable vat
E12A6	Convert pre-paid Three phase to Single phase pre-paid (based on meter cost + call out + CB)	R	1 664.35	1 570.15	1 805.67
E12A7	Removal of Meter (based on call out fee)	R	655.65	618.57	711.36
E12A8	Repositioning of Meter (excl. cable) (based on call out fee)	R	655.65	618.57	711.36
E12A9	Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)	R	2 165.22	2 042.58	2 348.96
<b>SERVICE CONNECTIONS</b>					
E13A1	Builders connection (plus applicable service connection tariff)	R	831.58	783.84	901.41
E13A4	Single Phase (Credit - 60A) option for Commercial users only (Based on 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 897.39	5 563.61	6 398.15
E13A6	Single Phase - (Pre-paid meters - 60A) applicable to Domestic users (Network Permitted) (Based on: 30m cable + meter cost + average labour cost + 15% admin fee)	R	5 897.39	5 563.61	6 398.15
E13A7	Three Phase - (Credit - 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour + circuit breaker + 15% admin fee)	R	R10 890.67 + ext fee	R10 274.22 + ext fee	applicable vat
E13A8	Three Phase - (Pre-paid 60A) Plus Extension fee : Extension fee not applicable to Industrial erven up to 60 Amp (Based on 30m (25mm) cable + meter cost + average labour + circuit breaker + 15% admin fee)	R	R10 890.67 + ext fee	R10 274.22 + ext fee	applicable vat
E13A9	Non Standard - (Pre-paid 60 Amp Single phase) Sub economic connections (Based on 30m (10mm) cable + meter cost + average labour cost + 15% admin fee)	R	5 476.52	5 166.10	5 941.02
E13A10	Single Phase (Credit 60A) Developer install cable to boundary ) option for Commercial users only (Based on meter cost + call out fee + 15% admin fee)	R	1 720.00	1 622.09	1 865.40
E13A11	Single Phase (Pre-paid 60A) Developer install cable to boundary) applicable to Domestic users (Network permitted) (Based on meter cost + call out fee + 15% admin fee)	R	1 720.00	1 622.09	1 865.40

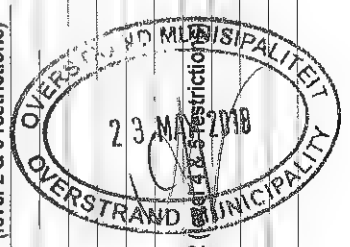
OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
E13A12	Three Phase (Credit 60A- Developer install cable to boundary) : Extension fee not applicable to Industrial even up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R 3 023.46 + ext fee	applicable vat	R2 852.32 + ext fee	applicable vat
E13A13	Three Phase (Pre-paid 60A-Developer install cable to boundary) : Extension fee not applicable to Industrial even up to 60 Amp (Based on meter cost + call out fee + 15% admin fee)	R 3023.46 + ext fee	applicable vat	R2 852.32 + ext fee	applicable vat
E13A14	Any other none standard connections	cost + 15% admin	applicable vat	cost + 15% admin	applicable vat
<b>E14</b>	<b>ILLEGAL CONNECTION / TAMPERING FEE (including damage or bypass of the DSM Hot Water Cylinder Control Unit)</b>				
E14A1	1 st Offence	3 831.00	no vat	3 613.54	no vat
E14A2	2 nd Offence (E14A1 X 2)	7 661.00	no vat	7 227.08	no vat
E14A3	3 rd Offence and re-occurrence (Disconnection of service and remedial action fee = double previous offence fee)	Previous offence amount X 2	applicable vat	Previous offence amount X 2	applicable vat
E14A4	Unsafe / Illegal leads (per visit) (reconnection fee included)	1 716.52	1 974.00	1 618.82	1 861.64
<b>E15</b>	<b>UPGRADING EXTENSION FEES (Network permitted to be approved by Electricity Department)</b>				
E15A1	Primary Cost p/kVA -include all HV Equipment UP to HV Substation or identified point of supply excluding Dist. TF	1 227.19	1 411.27	1 227.19	1 411.27
E15A2	Primary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply excluding Dist. TF	3 363.16	3 867.63	3 363.16	3 867.63
E15A3	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF	4 284.21	4 926.84	4 284.21	4 926.84
E15A4	Secondary Cost p/kVA -include all MV. Equipment UP to Main Substation or identified point of supply including Dist. TF and Kiosk	5 589.47	6 427.89	5 589.47	6 427.89
E15A5	Buying/Refund of spare capacity cost/kVA	100% of approved installation cost	applicable vat	100% of approved installation cost	applicable vat
E15A6	Investigation Fee	3 801.74	4 372.00	3 586.58	4 124.57
E15A7	FACTOR OF 0.36 APPLICABLE ON DOMESTIC USERS : TARIFF : applicable on E15A3 AND E15A4 (Commercial /Business no factor apply)	Factor 0.36	applicable vat	Factor 0.36	applicable vat
<b>E18</b>	<b>SMALL SCALE EMBEDDED GENERATION (SSEG)</b>				
	This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff (All prepaid customers excluded) Prepaid customers to convert to credit meter and tariff:				
E18A2	Feed-in Tariff c/kWh	61.16	70.34	57.24	65.83
<b>DC2</b>	<b>DEVELOPMENT CONTRIBUTIONS (Bulk Service Levies - BICL)</b>				
DC2A	Sub Division of existing tariff				
DC2A1	Single Phase 60 AMP / 3 KVA Domestic X Tariff E15A4 = P/ERF PLUS STANDARD CONNECTION FEES	27 947.35	32 139.45	27 947.35	32 139.45
DC2B	New Developments				
DC2B1	Standard fee per Single Phase Domestic - infrastructure provide by developer (13.8 KVA x E15A2 x.36)	16 708.18	19 214.41	16 708.18	19 214.41
DC2B2	Standard fee per Three Phase Domestic - infrastructure provide by developer (42KVA x E15A2x.36)	50 850.98	58 478.63	50 850.98	58 478.63
DC2C	MV/LV Bulk Supply with metering point cost / KVA= Tariff E15A2	3 363.16	3 867.63	3 363.16	3 867.63
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / KVA = Tariff E15A3	4 284.21	4 926.84	4 284.21	4 926.84

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WATER TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
CONSUMER DEPOSITS					
WD					
WD1	Domestic - Water	562.00	no vat	530.00	no vat
WD2	Commercial - Water - Consumption < 40kl	2 248.00	no vat	2 120.00	no vat
WD3	Commercial - Water - Consumption 40 - 100kl	7 866.00	no vat	7 420.00	no vat
WD4	Commercial - Water - Consumption 100 kl +	13 484.00	no vat	12 720.00	no vat
WD5	Domestic - Water RUE's	Applicable Rue's X WD1A	no vat	Applicable Rue's X WD1A	no vat
WD6	Indigent - registered	180.00	no vat	169.60	no vat
WDD	Deposit Defaulters				
WDD1	Domestic - Water - Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat
WDD2	Commercial - Water - Consumption < 40kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	applicable vat	calculated	no vat
WDD3	Commercial - Water - Consumption 40 - 100kl Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat
WDD4	Commercial - Water - Consumption 100 kl + Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat
WDD5	Domestic - Water RUE's Two Times average consumption during the preceding 12 months (Defaulters)	calculated	no vat	calculated	no vat
W1	BASIC CHARGE	129.14	148.51	121.83	140.10
W1A1	Basic Monthly Charge per erfunit per month				
W1A3	Infrastructure				
W1A3A	Fixed Infrastructure Basic Charge per erfunit per month	15.45	17.77	15.45	17.77
W1A3B	Fixed Infrastructure Basic Charge per erfunit per month	8.41	9.67	new	new
See attachment for the amount of RUE's allocated to different household consumers					
W1B	CONSUMPTION - HOUSEHOLDS				
Normal Tariff & Level 1 restrictions					
W1B1	0 - 6 kl per kl	5.02	5.77	4.50	5.17
W1B2	7 - 18 kl per kl	10.85	12.48	10.24	11.78
W1B3	19 - 30 kl per kl	17.61	20.25	16.61	19.10
W1B4	31 - 45 kl per kl	27.11	31.17	25.57	29.41
W1B5	46 - 60 kl per kl	35.21	40.50	33.22	38.20
W1B6	>60kl per kl	46.96	54.00	44.30	50.94
Restriction Tariff 1 (level 2 & 3 restrictions)					
W1B7	0 - 6 kl per kl	5.02	5.77	4.50	5.17
W1B8	7 - 18 kl per kl	14.11	16.23	13.31	15.31
W1B9	19 - 30 kl per kl	22.89	26.32	21.59	24.83
W1B10	31 - 45 kl per kl	35.24	40.53	33.25	38.23
W1B11	46 - 60 kl per kl	48.37	55.63	43.19	49.67
W1B12	>60kl per kl	64.50	74.18	57.59	66.23
Restriction Tariff 2 (level 4 & 5 restrictions)					
W1B13	0 - 6 kl per kl	5.02	5.77	4.50	5.17
W1B14	7 - 18 kl per kl	17.38	19.98	16.39	18.85
W1B15	19 - 30 kl per kl	28.18	32.41	26.58	30.57



## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W1B16	31 - 45 kl per kl	43.38	49.88	40.92	47.06
W1B17	46 - 60 kl per kl	59.55	68.48	53.17	61.15
W1B18	>60kl per kl	79.38	91.29	70.88	81.51
Restriction Tariff 3 (level 6 restrictions)					
W1B19	0 - 6 kl per kl	5.02	5.77	4.50	5.17
W1B20	7 - 18 kl per kl	22.94	26.38	20.48	23.55
W1B21	>18 kl per kl	99.23	114.11	88.59	101.88
CONSUMPTION - REGISTERED INDIGENT HOUSEHOLDS					
Normal Tariff & Level 1 restrictions					
W1B11	0 - 6 kl per kl - subsidised	5.02	5.77	4.50	5.17
W1B12	7 - 18 kl per kl	10.85	12.48	10.24	11.78
W1B13	19 - 30 kl per kl	17.61	20.25	16.61	19.10
W1B14	31 - 45 kl per kl	27.11	31.17	25.57	29.41
W1B15	46 - 60 kl per kl	35.21	40.50	33.22	38.20
W1B16	>60kl per kl	46.96	54.00	44.30	50.94
Restriction Tariff 1 (level 2 & 3 restrictions)					
W1B17	0 - 6 kl per kl - subsidised	5.02	5.77	4.50	5.17
W1B18	7 - 18 kl per kl	14.11	16.23	13.31	15.31
W1B19	19 - 30 kl per kl	22.89	26.32	21.59	24.83
W1B10	31 - 45 kl per kl	35.24	40.53	33.25	38.23
W1B11	46 - 60 kl per kl	48.37	55.53	43.19	49.67
W1B12	>60kl per kl	64.50	74.18	57.59	66.23
Restriction Tariff 2 (level 4 & 5 restrictions)					
W1B13	0 - 6 kl per kl - subsidised	5.02	5.77	4.50	5.17
W1B14	7 - 18 kl per kl	17.38	19.98	16.39	18.85
W1B15	19 - 30 kl per kl	28.18	32.41	26.58	30.57
W1B16	31 - 45 kl per kl	43.38	49.88	40.92	47.06
W1B17	46 - 60 kl per kl	59.55	68.48	53.17	61.15
W1B18	>60kl per kl	79.38	91.29	70.88	81.51
Restriction Tariff 3 (level 6 restrictions)					
W1B19	0 - 6 kl per kl - subsidised	5.02	5.77	4.50	5.17
W1B20	7 - 18 kl per kl	22.94	26.38	20.48	23.55
W1B21	>18 kl per kl	99.23	114.11	88.59	101.88
CONSUMPTION - ALL OTHER					
Normal Tariff & Level 1 restrictions					
W1C1	0 - 18 kl per kl	12.01	13.81	11.33	13.03
W1C2	19 - 30 kl per kl	17.61	20.25	16.61	19.10
W1C3	31 - 45 kl per kl	27.11	31.17	25.57	29.41
W1C4	46 - 60 kl per kl	35.21	40.50	33.22	38.20
W1C5	>60 kl per kl	46.96	54.00	44.30	50.94
Restriction Tariff 1 (level 2 & 3 restrictions)					
W1C6	0 - 18 kl per kl	15.61	17.95	14.73	16.94
W1C7	19 - 30 kl per kl	22.89	26.32	21.59	24.83
W1C8	31 - 45 kl per kl	35.24	40.53	33.25	38.23
W1C9	46 - 60 kl per kl	48.38	55.64	43.20	49.67

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Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W1C10	>60 kl per kl	64.49	74.17	57.58	66.22
<b>Restriction Tariff 2 (level 4 &amp; 5 restrictions)</b>					
W1C11	0 - 18 kl per kl	19.22	22.10	18.13	20.85
W1C12	19 - 30 kl per kl	28.18	32.41	26.58	30.57
W1C13	31 - 45 kl per kl	43.38	49.88	40.92	47.06
W1C14	46 - 60 kl per kl	59.55	68.48	53.17	61.15
W1C15	>60 kl per kl	79.38	91.29	70.88	81.51
<b>Restriction Tariff 3 (level 6 restrictions)</b>					
W1C16	0 - 10 kl per kl	24.02	27.63	22.66	26.06
W1C17	>10 kl per kl	99.23	114.11	88.59	101.88
<b>OTHER CONSUMERS</b>					
W1D1	Departmental per Kl	21.63	24.87	18.42	21.18
W1D2	Fire Hoses: Basic per Month	164.34	188.99	155.04	178.29
W1D3	Bulk usage (Unconnected to networks) per Kl - Consumers Permanently residing within Overstrand municipality area	13.29	15.29	12.54	14.42
W1D4	Kid Brooke (Van Cauter 0 - 8000kl per year)	0.08	0.09	0.08	0.09
W1D5	Onrus Small Holdings tariff 2 (Van Cauter)	0.08	0.09	0.08	0.09
W1D6	Onrus Small Holdings tariff 4 (Per agreement)	1.05	1.21	1.05	1.21
W1D7	Contractors water consumption - temporary connection	21.63	24.87	18.42	21.18
W1D8	Bulk usage (Unconnected to networks) per Kl - People residing outside the Overstrand municipal area & Level 1 restrictions	49.30	56.70	new	new
W1D8A	Restriction Tariff 1 (level 2 & 3 restrictions)	64.09	73.06	new	new
W1D8B	Restriction Tariff 2 (level 4 & 5 restrictions)	78.88	89.92	new	new
W1D8C	Restriction Tariff 3 (level 6 restrictions)	98.60	112.40	new	new
<b>WET COMMERCIAL, SPORT, PARKS etc (must apply for this tariff)</b>					
<b>Normal Tariff &amp; Level 1 restrictions</b>					
W1E1	0 - 500kl per kl	17.47	20.09	16.48	18.96
W1E2	501 - 1000kl per kl	26.41	30.37	24.92	28.65
W1E3	>1000kl per kl	35.22	40.50	33.23	38.21
<b>Restriction Tariff 1 (level 2 &amp; 3 restrictions)</b>					
W1E4	0 - 300kl per kl	22.72	26.13	21.44	24.65
W1E5	301 - 700kl per kl	34.33	39.48	32.39	37.25
W1E6	>700kl per kl	45.79	52.65	43.20	49.67
<b>Restriction Tariff 2 (level 4 &amp; 5 restrictions)</b>					
W1E7	0 - 250kl per kl	27.96	32.15	26.38	30.33
W1E8	251 - 500kl per kl	42.26	48.60	39.87	45.85
W1E9	>500kl per kl	56.35	64.81	53.16	61.14
<b>Restriction Tariff 3 (level 6 restrictions)</b>					
W1E10	0 - 100kl per kl	34.95	40.19	32.97	37.92
W1E11	>100 kl per kl	70.44	81.01	66.46	76.43
<b>WET INDUSTRY (Marine etc. must apply for this tariff) (Average of 100kl per day over previous 365 days)</b>					
<b>Normal Tariff &amp; Level 1 restrictions</b>					
W1F1	0 - 5800kl per kl	18.20	20.93	17.17	19.75
W1F2	> 5800kl per kl	35.22	40.50	33.23	38.21



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Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>Restriction Tariff 1 (level 2 &amp; 3 restrictions)</b>					
W1F3	0 - 5800kl per kl	23.66	27.21	22.32	25.67
W1F4	> 5800kl per kl	45.79	52.65	43.20	49.67
<b>Restriction Tariff 2 (level 4 &amp; 5 restrictions)</b>					
W1F5	0 - 5800kl per kl	29.12	33.49	27.48	31.60
W1F6	> 5800kl per kl	56.35	64.81	53.16	61.14
<b>Restriction Tariff 3 (level 6 restrictions)</b>					
W1F7	0 - 5800kl per kl	36.40	41.87	34.34	39.50
W1F8	> 5800 kl per kl	70.44	81.01	66.46	76.43
<b>AVAILABILITY CHARGES</b>					
W2A	Overstrand per month	129.14	148.51	121.83	140.10
W2A1	Farms connected to water pipe line	129.14	148.51	121.83	140.10
<b>REBATES (This can be granted by the Municipal Manager after application) refer to Policy # 6.8.1</b>					
W2J	kl above average - per kl	21.63	24.87	18.42	21.18
<b>IRRIGATION WATER ("LEI WATER") &amp; RAW WATER</b>					
W3A1	Use and pump water (80-90 min) per MONTH Stanford	39.47	45.39	37.20	42.77
W3A2	Pearly Beach Small Holdings: Basic	48.16	55.38	45.39	52.20
W3A3	Pearly Beach Small Holdings: Consumption 0- 70 kl per kl	3.77	4.34	3.55	4.08
W3A4	Pearly Beach Small Holdings: Consumption >70 kl per kl	8.82	10.14	8.30	9.54
W3A5	Others	3.77	4.34	3.55	4.08
W3A6	Farm 1722 Stanford as per agreement 1.75% of raw water abstraction from municipal boreholes, maximum 8760 kl/a	0.00	0.00	0.00	0.00
W3A7	Farm 586 Volmoed raw water from De Bos pipeline consumption 0 - 300 kl/month per kl	0.00	0.00	0.00	0.00
W3A8	Farm 586 Volmoed raw water from De Bos pipeline consumption >300 kl/month per kl	3.55	4.08	3.55	4.08
<b>IRRIGATION WATER - (TREATED EFFLUENT)</b>					
W3B	Hermanus Golf Club per month	42 847.33	49 274.43	40 422.01	46 485.31
W3B2	All other per kl	2.41	2.77	2.27	2.61
W3B3	Schools, municipal sports grounds & project sport grounds as per agreement	no charge	no vat	no charge	no vat
W3B4	Curro Holdings - 250kl free per day as per deed of sale	2.41	2.77	2.27	2.61
<b>SUNDRY CHARGES</b>					
W4	Testing of a Meter (Call-out Fee incl)(Conditionally refundable)	862.61	992.00	813.59	935.63
W4A1	Testing of a Meter (Ind/Bulk Meter)(Conditionally refundable)	Cost plus 15%	applicable vat	Cost plus 15%	applicable vat
W4A2	*Minimum charge of R500	391.30	450.00	369.14	424.51
W4A3	Disconnection	391.30	450.00	369.14	424.51
W4A4	Reconnection	782.61	900.00	737.35	847.95
W4A5	Reconnection After Normal Working Hours	153.04	176.00	144.12	165.74
W4A6	Administration fee - recalculation due to no meter	213.91	246.00	201.77	232.04
W4A7	Verification of a Meter Reading	195.65	225.00	184.10	211.72
W4A8	Final and Special Readings	390.44	449.00	368.21	423.44
W4A9	Call-out Fee - Normal Working Hours	781.74	899.00	737.35	847.95
W4A10	Call-out Fee - After Hours	1 049.57	1 207.00	990.00	1 138.50
W4A11	Replacement of damage meter	862.61	992.00	new	new
W4A12	Removal of Meter (based on call out fee)	293.04	337.00	276.16	317.59
W4A13	Registration of Borehole (Including inspection)	859.13	988.00	809.88	931.36
W4A14	Repositioning of Meter (excl. pipe )				

OVERSTRAND MUNICIPALITY

23 MAY 2018

OVERSTRAND MUNICIPALITY





OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
W4A15	Convert to Water Flow Restrictor Meter	2 797.39	3 217.00	2 638.84	3 034.66
W4A16	Temporary Connections - Deposit	7 360.00	no vat	6 944.06	no vat
W4A17	Temporary Connection - Usage per kl	18.96	21.80	13.02	14.97
W4A18	Damage of Water Meter	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat
W4A19	Damage of Watermain	Actual cost plus R2 958.44	applicable vat	Actual cost plus R2 790.98	applicable vat
W4A20	Damage of Service Connection (including water meter)	Actual cost plus R777.69	applicable vat	Actual cost plus R697.48	applicable vat
<b>W5</b>	<b>ILLEGAL CONNECTION / TAMPERING FEE</b>				
W5A1	1st Offence	6 529.00	no vat	6 158.60	no vat
W5A2	2nd Offence Must convert to a flow-restriction watermeter at applicable tariff plus	7 661.00	no vat	7 227.08	no vat
W5A3	3rd Offence (Restriction of service and remedial action fee = double previous offence fee)	Previous offence amount X 2	applicable vat	Previous offence amount X 2	applicable vat
<b>W6</b>	<b>CONNECTION FEE</b>				
W6A1	20 mm Connection Conventional Meter	4 782.61	5 500.00	4 511.51	5 188.23
W6A2	20 mm Connection Water Flow Restrictor Meter	5 680.00	6 532.00	5 357.65	6 161.30
W6A3	Other Connections	Actual cost plus 15%	applicable vat	Actual cost plus 15%	applicable vat
W6A4	Connections (Erf Boundary - by Developer)	1 243.48	1 430.00	1 172.51	1 348.38
<b>W7</b>	<b>BULK SERVICES DEVELOPMENT FEES</b>				
	Tariffs set out in Development Contribution Tariff list				

6.01%  
5.99%  
45.66%  
  
6.00%  
6.00%  
  
6.01%  
6.00%  
  
6.01%  
6.02%  
6.05%



## ANNEXURE TO WATER TARIFFS

## ALLOCATION OF RUE's TO CATEGORIES OF CONSUMERS 2018/2019

Clinics - Out patients	* 1 RUE
Flats	* 1 RUE per Unit
Guest Houses and B & B's	* 1 RUE
Household related consumers that do not fall in one of the above household consumer categories	* Upon application the Engineering & Financial Departments will assess the validity within the tariff's structural framework
Old Age Homes, Hostels & Boarding School	* 1 RUE per 7 beds
Retirement Villages, Hospital & Hospice	* 1 RUE per 1 residential unit * 1 RUE per 7 beds
Single Residential erven	* 1 RUE
Townhouse and Group developments	* 1 RUE per unit (Please note that Townhouse/Group Developments must apply should they require more than 1 RUE during development) * RUE's only applicable from date of application and approval

RUE = Residential Unit Equivalent





## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## DEVELOPMENT CONTRIBUTION TARIFFS (ROUNDING APPLICABLE)

Tariff Code	Detail	2018/2019				2017/2018			
		Exclude VAT		Include VAT 15%		Exclude VAT		Include VAT 15%	
		R	R	R	R	R	R	R	R
<b>DC1</b>	<b>WATER</b>								
DC1A	Standard Fee per Equivalent Unit	18 859.65		21 688.60		18 859.65		21 688.60	
<b>DC2</b>	<b>ELECTRICITY</b>								
DC2A	Sub Division of Existing Erf								
DC2A1	Single Phase 60 AMP (5 kVA) Domestic X Tariff E15A4 = PIERF PLUS Standard Connection Fees	27 947.35		32 139.45		27 947.35		32 139.45	
DC2B	New Developments								
DC2B1	Standard fee per Single Phase Domestic erf - infrastructure provide by developer (Based on 13.8 kVA x E15A2 x.36)	16 708.18		19 214.41		16 708.18		19 214.41	
DC2B2	Standard fee per Three Phase Domestic erf - infrastructure provide by developer (Based on 42kVA x E15A2x.36)	50 850.98		58 478.63		50 850.98		58 478.63	
DC2C	MV/LV Bulk Supply with metering point cost / kVA= Tariff E15A2	3 363.16		3 867.63		3 363.16		3 867.63	
DC2C1	LV Bulk Supply if capacity is available on existing TF cost / kVA = Tariff E15A3	4 284.21		4 926.84		4 284.21		4 926.84	
<b>DC3</b>	<b>SEWERAGE</b>								
DC3A	Standard Fee per Equivalent Unit	12 715.79		14 623.16		12 715.79		14 623.16	
<b>DC4</b>	<b>ROADS</b>								
DC4A	Standard Fee per Equivalent Unit	5 701.75		6 557.01		5 701.75		6 557.01	
<b>DC5</b>	<b>STORMWATER</b>								
DC5A	Standard Fee per Equivalent Unit	6 578.95		7 565.79		6 578.95		7 565.79	
<b>DC6</b>	<b>SOLID WASTE</b>								
DC6A	Standard Fee per Equivalent Unit	1 140.35		1 311.40		1 140.35		1 311.40	
<b>DC7</b>	<b>OFF-GRID DEVELOPMENT/UNITS</b>								
DC7A	As per signed agreement as recommended by the Director: Infrastructure and Planning and approval by the Municipal Manager								
<b>DC8</b>	<b>EVALUATION/INVESTIGATION LEVIES are payable OVER and ABOVE the Bulk Service Levies</b>								
DC8A	Water								
	No. of Equivalent units	no charge		no vat		no charge		no vat	
DC8A1	1 - 4	7 900.00		9 085.00		7 900.00		9 085.00	
DC8A2	5 - 10	13 300.00		15 295.00		13 300.00		15 295.00	
DC8A3	11 - 25	18 300.00		21 045.00		18 300.00		21 045.00	
DC8A4	26 - 50	21 000.00		24 150.00		21 000.00		24 150.00	
DC8A5	51 - 100	23 300.00		26 795.00		23 300.00		26 795.00	
DC8A6	101 - 250	27 200.00		31 280.00		27 200.00		31 280.00	
DC8A7	251 - 500	30 700.00		35 305.00		30 700.00		35 305.00	
DC8A8	501 - 2000	36 900.00		42 435.00		36 900.00		42 435.00	
DC8A9	2000 - 5000	41 900.00		48 185.00		41 900.00		48 185.00	
DC8A10	> 5001								
DC8E	Sanitation								



OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018		1.00 1.06
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%	
	No of Equivalent units					
DC8E1	1 - 4	no charge	no vat	no charge	no vat	
DC8E2	5 - 10	7 900.00	9 085.00	7 900.00	9 085.00	0.00%
DC8E3	11 - 25	13 300.00	15 295.00	13 300.00	15 295.00	0.00%
DC8E4	26 - 50	18 300.00	21 045.00	18 300.00	21 045.00	0.00%
DC8E5	51 - 100	21 000.00	24 150.00	21 000.00	24 150.00	0.00%
DC8E6	101 - 250	23 300.00	26 795.00	23 300.00	26 795.00	0.00%
DC8E7	251 - 500	27 200.00	31 280.00	27 200.00	31 280.00	0.00%
DC8E8	501 - 2000	30 700.00	35 305.00	30 700.00	35 305.00	0.00%
DC8E9	2000 - 5000	36 900.00	42 435.00	36 900.00	42 435.00	0.00%
DC8E10	> 5001	41 900.00	48 185.00	41 900.00	48 185.00	0.00%



## OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

## RESORTS TARIFF LIST (ROUNDING APPLICABLE)

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>** A deposit of 50% of the total amount payable is applicable to secure the booking</b>					
<b>** On cancellation of the booking an administration fee of 15% will be deducted from the deposit</b>					
<b>** On cancellation of the booking less than 14 days prior to the commencement of the booking period, the deposit will not be paid back</b>					
<b>R 1</b>	<b>PALMIET &amp; KLEINMOND CARAVAN PARKS</b>				
	<b>Peak Season - 1 December - 31 January &amp; Easter Weekend</b>				
R1A	A Stands per day	374.78	431.00	353.51	406.54
R1A1	B Stands per day	300.87	346.00	283.77	326.34
R1A2	C Stands per day	266.96	307.00	251.32	289.02
R1A3					
R1B	<b>Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)</b>				
R1B1	A Stands per day	207.83	239.00	195.61	224.95
R1B2	B Stands per day	178.26	205.00	167.54	192.67
R1B3	C Stands per day	163.48	188.00	153.51	176.54
The above tariffs include for up to four (4) persons and one (1) vehicle with one trailer or caravan or small boat per day					
R1F	<b>Sundry Costs</b>				
R1F1	Electricity if available per stand per day	21.74	25.00	35.97	41.36
R1F2	Additional persons up to a maximum of two (2) - per person per day	53.91	62.00	50.88	58.51
R1F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	30.44	35.00	28.07	32.28
R1F4	Day visitors for campers up to a maximum of four (4) per person per day	53.91	62.00	50.88	58.51
R1F5	Day visitors vehicle per day	41.74	48.00	39.47	45.39
<b>NOTE: Special arrangements must be made with the Camp Manager to allow day visitors</b>					
R1F6	Children under two (2) years	no charge	no vat	no charge	no vat
R1F7	Children under twelve (12)	26.96	31.00	25.44	29.26
R1F8	Gate Card / Key Deposit per set - Refundable	157.00	no vat	148.00	no vat
R1J	<b>Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers</b>				
<b>Note: Pensioners to be defined as persons sixty (60) years and older</b>					
R1J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat
R1J2	Qualify for a reduced tariff for a period of 30 days	2 528.70	2 908.00	2 385.09	2 742.85
<b>R 10</b>	<b>KLEINMOND: FRANK ROBB HUT</b>				
R10A	Camping per person per day (Maximum of 10 persons)	88.70	102.00	83.77	96.34
<b>R 20</b>	<b>ONRUS CARVANIPARK: PLETT HOUSE</b>				
R20A	Peak Season - 1 December - 31 January & Easter Weekend	414.78	477.00	390.79	449.41
R20B	Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)	257.39	296.00	242.11	278.42
<b>R 30</b>	<b>ONRUS CARVANIPARK</b>				
	<b>Peak Season - 1 December - 31 January &amp; Easter Weekend</b>				
R30A					
R30A1	A Stands per day	408.70	470.00	385.96	443.85
R30A2	B Stands per day	313.04	360.00	297.81	342.48
R30A3	C Stands per day	286.09	329.00	269.74	310.20
R30B	<b>Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)</b>				
R30B1	A Stands per day	226.09	260.00	214.04	246.15
R30B2	B Stands per day	191.30	220.00	181.58	208.82
R30B3	C Stands per day	178.26	205.00	167.54	192.67
The above tariffs include for up to four (4) persons and one (1) vehicle with one trailer or caravan or small boat per day					

# OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

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FINAL

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>R30F</b>	<b>Sundry Costs</b>				
R30F1	Electricity if available per stand per day	21.74	25.00	35.97	41.36
R30F2	Additional persons up to a maximum of two (2) - per person per day	60	69.00	56.14	64.56
R30F3	Additional vehicle or small trailer or small boat to maximum of 2 units - per unit per day	32.17	37.00	29.83	34.30
R30F4	Children under two (2) years	no charge	no vat	no charge	no vat
R30F5	Children under twelve (12)	30.44	35.00	28.07	32.28
R30F6	Daily Functions (pre-arrangement) per day	147.83	170.00	139.47	160.39
R30F7	Full 30 day Rental	4 041.74	4 648.00	3 812.28	4 384.12
R30F8	Gate Card / Key Deposit per set - Refundable	160.00	no vat	148.00	no vat
<b>R30J</b>	<b>Long Term Rental</b>				
R30J1	Rental per annum	13 222.61	15 206.00	13 221.93	15 205.22
<b>R30J2</b>	<b>Plus:</b>				
R30J3	Pergola with covering per annum	1 417.39	1 630.00	1 336.84	1 537.37
R30J4	Water tap per annum	301.74	347.00	284.21	326.84
R30J5	Structure for storing purposes per annum	301.74	347.00	284.21	326.84
R30J6	Permanent fireplace structure per annum	301.74	347.00	284.21	326.84
R30L	Electricity per stand per annum	960.00	1 104.00	905.26	1 041.05
<b>R 60</b>	<b>Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers</b>				
R60L1	Note: Pensioners to be defined as persons sixty (60) years and older				
R60L2	May get a discount on the stands				
R60L3	Qualify for a reduced tariff for a period of 30 days	50%	applicable vat	50%	applicable vat
R60L4	Qualify for a reduced tariff for a period of 30 days	2 760.00	3 174.00	2 603.51	2 994.04
<b>R 60</b>	<b>GANSBAAI CARVAN PARK</b>				
<b>R60A</b>	<b>Peak Season - 1 December - 31 January &amp; Easter Weekend</b>				
R60A1	A+ Stands per day	295.65	340.00	278.95	320.79
R60A2	A Stands per day	252.17	290.00	237.28	272.87
R60A3	B Stands per day	207.83	239.00	196.61	224.95
R60A4	C Stands per day	178.26	205.00	167.54	192.67
<b>R60B</b>	<b>Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)</b>				
R60B1	A+ Stands per day	226.96	261.00	214.04	246.14
R60B2	A Stands per day	187.83	216.00	176.75	203.26
R60B3	B Stands per day	178.26	205.00	167.54	192.67
R60B4	C Stands per day	163.48	188.00	153.51	176.54
	The above tariffs include for up to four (4) persons and one (1) vehicle with one trailer or caravan or small boat per day				
<b>R60F</b>	<b>Sundry Costs</b>				
R60F1	Additional persons up to a maximum of two (2) - per person per day	53.91	62.00	50.88	58.51
R60F2	Additional vehicle or small trailer or small boat - per unit per day	39.13	45.00	36.84	42.37
R60F3	Children under two (2) years	no charge	no vat	no charge	no vat
R60F4	Children under twelve (12)	26.96	31.00	25.44	29.26
R60F5	Day visitors for campers up to a maximum of four (4) per person per day	39.13	45.00	36.84	42.37
R60F6	Gate Card / Key Deposit per set - Refundable	157.00	no vat	148.00	no vat
<b>R60J</b>	<b>Long Term Rental</b>				
R60J1	Rental per annum	7 422.61	8 536.00	7 001.75	8 052.01
<b>E60K</b>	<b>Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers</b>				
R60K1	Note: Pensioners to be defined as persons sixty (60) years and older				
R60K1	May get a discount on the stands	50%	applicable vat	50%	applicable vat

OVERSTRAND MUNICIPALITY TARIFF LIST 2018/2019

Tariff Code	Detail	2018/2019		2017/2018	
		Exclude VAT	Include VAT 15%	Exclude VAT	Include VAT 15%
<b>R 80</b>	<b>HAWSTON DAY CAMPING SITE</b>				
R80A	Peak Season - 1 December - 31 January & Easter Weekend				
R80A1	Camping Sites	178.26	205.00	167.54	192.67
R80A2	Parking Fees per vehicle (excluding busses >20 seats)	13.04	15.00	12.28	14.12
R80A3	Per Bus >20 seats	153.04	176.00	143.86	165.44
R80A4	Entrance Fee: Adults (per person)	13.04	15.00	12.28	14.12
R80A5	Entrance Fee: Children (per child < 12)	4.35	5.00	3.95	4.54
R80B	Off-Peak Season - 1 February - 30 November (Excluding Easter Weekend)				
R80B1	Camping Sites	97.39	112.00	91.23	104.91
R80B2	Parking Fees per vehicle (excluding busses >20 seats)	13.04	15.00	12.28	14.12
R80B3	Per Bus >20 seats	153.04	176.00	143.86	165.44
R80B4	Entrance Fee: Adults (per person)	13.04	15.00	12.28	14.12
R80B5	Entrance Fee: Children (per child < 12)	4.35	5.00	3.95	4.54
R80B6	The above tariffs include for up to six (6) persons and one (1) vehicle with one trailer or caravan or small boat per day				
R80E	<b>Sundry Costs</b>				
R80E1	Electricity if available per stand per day	21.74	25.00	35.97	41.36
R80E2	Additional vehicle or small trailer or small boat - per unit per day	37.39	43.00	35.09	40.35
R80E3	Events - partial or whole day camp site, per day or portion of the day (Excluding other services eg. Refuse collection, electricity etc.)	505.22	581.00	476.32	547.77
R80J	<b>Low Season: Pensioners, Caravan Clubs more than 10 caravans, Mobile Camper Vehicles &amp; RV groups (not caravans) more than 20 campers</b>				
	<b>Note: Pensioners to be defined as persons sixty (60) years and older</b>				
R80J1	May get a discount on the stands	50%	applicable vat	50%	applicable vat

6.40%  
6.19%  
6.38%  
6.19%  
10.13%

6.75%  
6.19%  
6.38%  
6.19%  
10.13%

6.55%  
6.07%

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## **ANNEXURE D**

# **TARIFF BASKETS**





## MONTHLY BASKET OF TARIFFS - SINGLE RESIDENTIAL 2018/19

## Residential

## High Consumption with credit elect meter

		Year	Year	Increase/Decrease	
		2017/2018	2018/2019	Amount	%
Valuation	R3 500 000				
Rates		1 170.70	1 240.94	70.24	6.00
Sewer	SE7A1+SE8A	536.31	568.69	32.38	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	50 kl	1 020.71	1 083.43	62.73	6.15
VAT	15%	263.06	280.50	17.44	6.63
<b>SUB TOTAL</b>		<b>3 187.51</b>	<b>3 391.46</b>	<b>203.95</b>	<b>6.40</b>
Electricity Credit Meter	1500 kWh	2 778.25	2 967.35	189.11	6.81
VAT	15%	416.74	445.10	28.37	6.81
<b>TOTAL</b>		<b>6 382.50</b>	<b>6 803.91</b>	<b>421.42</b>	<b>6.60</b>
<i>HPP if applicable</i>		117.07	124.09	7.02	6.00

## High Consumption with prepaid elect meter

		2017/2018	2018/2019	Amount	%
Valuation	R3 500 000				
Rates		1 170.70	1 240.94	70.24	6.00
Sewer	SE7A1+SE8A	536.31	568.69	32.38	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	50 kl	1 020.71	1 083.43	62.73	6.15
VAT	15%	263.06	280.50	17.44	6.63
<b>SUB TOTAL</b>		<b>3 187.51</b>	<b>3 391.46</b>	<b>203.95</b>	<b>6.40</b>
Electricity Prepaid Meter	1500 kWh	2 659.14	2 840.57	181.42	6.82
VAT	15%	398.87	426.09	27.21	6.82
<b>TOTAL</b>		<b>6 245.53</b>	<b>6 658.11</b>	<b>412.58</b>	<b>6.61</b>
<i>HPP if applicable</i>		117.07	124.09	7.02	6.00

## Medium Consumption with credit elect meter

		2017/2018	2018/2019	Amount	%
Valuation	R2 500 000				
Rates		831.37	881.25	49.88	6.00
Sewer	SE7A1+SE8A	322.43	341.89	19.46	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	25 kl	387.97	412.73	24.76	6.38
VAT	15%	136.07	145.88	9.81	7.21
<b>SUB TOTAL</b>		<b>1 874.56</b>	<b>1 999.63</b>	<b>125.07</b>	<b>6.67</b>
Electricity Credit Meter	800 kWh	1 428.59	1 525.25	96.65	6.77
VAT	15%	214.29	228.79	14.50	6.77
<b>TOTAL</b>		<b>3 517.45</b>	<b>3 753.67</b>	<b>236.22</b>	<b>6.72</b>
<i>HPP if applicable</i>		83.14	88.12	4.99	6.00

## Medium Consumption with prepaid elect meter

		2017/2018	2018/2019	Amount	%
Valuation	R2 500 000				
Rates		831.37	881.25	49.88	6.00
Sewer	SE7A1+SE8A	322.43	341.89	19.46	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	25 kl	387.97	412.73	24.76	6.38
VAT	15%	136.07	145.88	9.81	7.21
<b>SUB TOTAL</b>		<b>1 874.56</b>	<b>1 999.63</b>	<b>125.07</b>	<b>6.67</b>
Electricity Prepaid Meter	800 kWh	1 361.83	1 454.39	92.56	6.80
VAT	15%	204.28	218.16	13.88	6.80
<b>TOTAL</b>		<b>3 440.67</b>	<b>3 672.18</b>	<b>231.51</b>	<b>6.73</b>
<i>HPP if applicable</i>		83.14	88.12	4.99	6.00



**Low Consumption with credit meter**

Valuation R1 000 000

	2017/2018	2018/2019	Amount	%
Rates	322.37	341.71	19.34	6.00
Sewer <b>SE7A1+SE8A</b>	236.87	251.17	14.30	6.04
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	53.54	11.84	28.39
Refuse <b>1X Per Week</b>	155.04	164.35	9.31	6.01
Water 15 kl	240.98	256.92	15.94	6.62
VAT 15%	101.19	108.90	7.71	7.62
<b>SUB TOTAL</b>	<b>1 098.14</b>	<b>1 176.59</b>	<b>78.45</b>	<b>7.14</b>
Electricity Credit Meter 600 kWh	1 042.98	1 113.22	70.24	6.73
VAT 15%	156.45	166.98	10.54	6.73
<b>TOTAL</b>	<b>2 297.56</b>	<b>2 456.78</b>	<b>159.22</b>	<b>6.93</b>
<b>HPP if applicable</b>	<b>32.24</b>	<b>34.17</b>	<b>1.93</b>	<b>6.00</b>

**Low Consumption with prepaid elect meter**

Valuation R1 000 000

	2017/2018	2018/2019	Amount	%
Rates	322.37	341.71	19.34	6.00
Sewer <b>SE7A1+SE8A</b>	236.87	251.17	14.30	6.04
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	53.54	11.84	28.39
Refuse <b>1X Per Week</b>	155.04	164.35	9.31	6.01
Water 15 kl	240.98	256.92	15.94	6.62
VAT 15%	101.19	108.90	7.71	7.62
<b>TOTAL</b>	<b>1 098.14</b>	<b>1 176.59</b>	<b>78.45</b>	<b>7.14</b>
Electricity Prepaid Meter 600 kWh	991.18	1 058.34	67.17	6.78
VAT 15%	148.68	158.75	10.07	6.78
<b>TOTAL</b>	<b>2 237.99</b>	<b>2 393.68</b>	<b>155.69</b>	<b>6.96</b>
<b>HPP if applicable</b>	<b>32.24</b>	<b>34.17</b>	<b>1.93</b>	<b>6.00</b>

**Low Consumption with credit meter**

Valuation R1 000 000

	2017/2018	2018/2019	Amount	%
Rates	322.37	341.71	19.34	6.00
Sewer <b>SE7A1+SE8A</b>	236.87	251.17	14.30	6.04
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	53.54	11.84	28.39
Refuse <b>1X Per Week</b>	155.04	164.35	9.31	6.01
Water 15 kl	240.98	256.92	15.94	6.62
VAT 15%	101.19	108.90	7.71	7.62
<b>SUB TOTAL</b>	<b>1 098.14</b>	<b>1 176.59</b>	<b>78.45</b>	<b>7.14</b>
Electricity Credit Meter 350 kWh	647.55	693.67	46.12	7.12
VAT 15%	97.13	104.05	6.92	7.12
<b>TOTAL</b>	<b>1 842.82</b>	<b>1 974.31</b>	<b>131.48</b>	<b>7.13</b>
<b>HPP if applicable</b>	<b>32.24</b>	<b>34.17</b>	<b>1.93</b>	<b>6.00</b>

**Low Consumption with prepaid elect meter**

Valuation R1 000 000

	2017/2018	2018/2019	Amount	%
Rates	322.37	341.71	19.34	6.00
Sewer <b>SE7A1+SE8A</b>	236.87	251.17	14.30	6.04
Infrastructure Basic Charge Water, Electricity & Sewer	41.70	53.54	11.84	28.39
Refuse <b>1X Per Week</b>	155.04	164.35	9.31	6.01
Water 15 kl	240.98	256.92	15.94	6.62
VAT 15%	101.19	108.90	7.71	7.62
<b>SUB TOTAL</b>	<b>1 098.14</b>	<b>1 176.59</b>	<b>78.45</b>	<b>7.14</b>
Electricity Prepaid Meter 350 kWh	618.57	653.30	34.74	7.18
VAT 15%	92.78	99.45	6.67	7.18
<b>TOTAL</b>	<b>1 809.49</b>	<b>1 939.04</b>	<b>129.55</b>	<b>7.16</b>
<b>HPP if applicable</b>	<b>32.24</b>	<b>34.17</b>	<b>1.93</b>	<b>6.00</b>

**Sub-Economic Consumption (Indigent)**

Valuation	R100 000	2017/2018	2018/2019	Amount	%
Rates		16.97	17.98	1.02	6.00
Sewer	SE7A1	194.10	205.81	11.71	6.03
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	0.00	0.00	0.00	0.00
Water	10 kl	40.96	43.42	2.46	6.00
VAT	15%	41.51	43.64	2.13	5.12
<b>SUB TOTAL</b>		<b>335.23</b>	<b>352.55</b>	<b>17.31</b>	<b>5.16</b>
Electricity Prepaid Meter	350 kWh	300.90	318.35	17.45	5.80
VAT	15%	45.13	47.75	2.62	5.80
<b>TOTAL</b>		<b>681.27</b>	<b>718.65</b>	<b>37.38</b>	<b>5.49</b>

**Life-Line Consumption (ONE PART) (Indigent)**

Valuation	R50 000	2017/2018	2018/2019	Amount	%
Rates		0.00	0.00	0.00	0.00
Sewer	SE7A1	17.11	18.14	1.03	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	0.00	0.00	0.00	0.00
Water	8 kl	20.48	21.71	1.23	6.00
VAT	15%	11.89	12.23	0.34	2.85
<b>SUB TOTAL</b>		<b>91.18</b>	<b>93.78</b>	<b>2.60</b>	<b>2.85</b>
Electricity Pre-paid	300 kWh	304.21	321.85	17.64	5.80
VAT	15%	45.63	48.28	2.65	5.80
<b>TOTAL</b>		<b>441.02</b>	<b>463.92</b>	<b>22.89</b>	<b>5.19</b>

**Conservancy Tanks****If tariff SE7 is not applicable**

	2017/2018	2018/2019	Amount	%
Smaller than 6kl	499.40	529.39	29.99	6.01
Greater than 6kl	499.40	529.39	29.99	6.01
Outside urban area Plus	14.63	15.52	0.89	6.06
Plus	299.83	317.91	18.08	6.03
After hours				
Smaller than 6kl	998.80	1 058.78	59.98	6.01
Greater than 6kl	998.80	1 058.78	59.98	6.01

**Sub-Economic Consumption (Indigent)**

Valuation	R50 000	2017/2018	2018/2019	Amount	%
Rates		0.00	0.00	0.00	0.00
Sewer	SE7A1	0.00	0.00	0.00	0.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	0.00	0.00	0.00	0.00
Water	6 kl	0.00	0.00	0.00	0.00
VAT	15%	6.26	6.26	0.00	0.00
<b>SUB TOTAL</b>		<b>47.96</b>	<b>47.96</b>	<b>0.00</b>	<b>0.00</b>
Electricity Prepaid Meter	150 kWh	150.45	159.18	8.73	5.80
VAT	15%	22.57	23.88	1.31	5.80
<b>TOTAL</b>		<b>220.97</b>	<b>231.01</b>	<b>10.03</b>	<b>4.54</b>

**Sub-Economic Consumption (Indigent)**

Valuation	R220 000	2017/2018	2018/2019	Amount	%
Rates		57.69	67.75	10.06	6.00
Sewer	SE7A1	102.66	108.86	6.20	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	0.00	0.00	0.00	0.00
Water	18 kl	122.88	130.25	7.37	6.00
VAT	15%	40.09	42.12	2.04	5.08
<b>SUB TOTAL</b>		<b>365.01</b>	<b>384.08</b>	<b>19.07</b>	<b>5.22</b>
Electricity Prepaid Meter	400 kWh	351.05	371.41	20.36	5.80
VAT	15%	52.66	55.71	3.05	5.80
<b>TOTAL</b>		<b>768.72</b>	<b>811.20</b>	<b>42.49</b>	<b>5.53</b>

**Sub-Economic Consumption**

Valuation		2017/2018	2018/2019	Amount	%
R220 000					
Rates		57.69	61.15	3.46	6.00
Sewer	SE7A1	262.54	278.39	15.85	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	41.70	0.00	0.00
Refuse	1X Per Week	155.04	164.35	9.31	6.01
Water	18 kl	271.70	289.48	17.79	6.55
VAT	15%	109.65	116.09	6.44	5.88
<b>SUB TOTAL</b>		<b>808.30</b>	<b>951.15</b>	<b>52.85</b>	<b>5.88</b>
Electricity Prepaid Meter	400 kWh	693.09	742.07	48.98	7.07
VAT	15%	103.96	111.31	7.35	7.07
<b>TOTAL</b>		<b>1 695.35</b>	<b>1 804.54</b>	<b>109.18</b>	<b>6.44</b>

**MONTHLY BASKET OF TARIFFS - BUSINESS 2018/2019****Bussiness - Large (Time of Use)**

Valuation		2017/2018	2018/2019	Amount	%
R35 000 000					
Rates		22 487.50	23 836.75	1 349.25	6.00
Sewer	SE7D1+SE8A 30	8 316.15	8 818.14	501.99	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	Bins 2X Per Week 30	9 302.14	9 861.00	558.86	6.01
Water	460 kl	19 125.97	20 273.52	1 147.56	6.00
VAT	15%	5 517.89	5 850.93	333.04	6.04
<b>SUB TOTAL</b>		<b>64 791.34</b>	<b>68 693.89</b>	<b>3 902.55</b>	<b>6.02</b>
Electricity Credit Meter	108751 + 436kVA	122 667.13	131 069.83	8 402.70	6.85
VAT	15%	18 400.07	19 660.47	1 260.40	6.85
<b>TOTAL</b>		<b>205 858.54</b>	<b>219 424.19</b>	<b>13 565.65</b>	<b>6.59</b>
<i>HPP if applicable</i>		2 248.75	2 383.68	134.93	6.00

**Bussiness - Medium (Three Phase)**

Valuation		2017/2018	2018/2019	Amount	%
R3 200 000					
Rates		2 056.00	2 179.36	123.36	6.00
Sewer	SE7D1+SE8A 1	548.53	581.65	33.12	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week 3	465.11	493.05	27.94	6.01
Water	40 kl	780.84	827.69	46.85	6.00
VAT	15%	275.43	293.39	17.96	6.52
<b>SUB TOTAL</b>		<b>4 167.60</b>	<b>4 428.68</b>	<b>261.08</b>	<b>6.26</b>
Electricity Credit Meter	7000 kWh	11 818.34	12 554.77	736.43	6.23
VAT	15%	1 772.75	1 883.22	110.47	6.23
<b>TOTAL</b>		<b>17 758.69</b>	<b>18 866.67</b>	<b>1 107.98</b>	<b>6.24</b>
<i>HPP if applicable</i>		205.60	217.94	12.34	6.00

**Bussiness - Small (Three Phase)**

Valuation		2017/2018	2018/2019	Amount	%
R3 200 000					
Rates		2 056.00	2 179.36	123.36	6.00
Sewer	SE7D1+SE8A 1	548.53	581.65	33.12	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week 2	310.07	328.70	18.63	6.01
Water	40 kl	780.84	827.69	46.85	6.00
VAT	15%	252.17	268.74	16.57	6.57
<b>SUB TOTAL</b>		<b>3 989.31</b>	<b>4 209.62</b>	<b>220.31</b>	<b>6.28</b>
Electricity Credit Meter	4000 kWh	6 982.64	7 424.10	441.46	6.32
VAT	15%	1 047.40	1 113.61	66.22	6.32
<b>TOTAL</b>		<b>12 019.34</b>	<b>12 777.38</b>	<b>758.04</b>	<b>6.31</b>
<i>HPP if applicable</i>		205.60	217.94	12.34	6.00

**Bussiness - Small (Three Phase)**

		2017/2018	2018/2019	Amount	%
Valuation R3 200 000					
Rates		2 056.00	2 179.36	123.36	6.00
Sewer	SE7D1+SE8A	548.53	581.65	33.12	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	310.07	328.70	18.63	6.01
Water	40 kl	780.84	827.69	46.85	6.00
VAT	15%	252.17	268.74	16.57	6.57
<b>SUB TOTAL</b>		<b>3 989.31</b>	<b>4 239.68</b>	<b>250.37</b>	<b>6.28</b>
Electricity Credit Meter	1000 kWh	2 146.94	2 293.42	146.48	6.82
VAT	15%	322.04	344.01	21.97	6.82
<b>TOTAL</b>		<b>6 458.29</b>	<b>6 877.11</b>	<b>418.82</b>	<b>6.48</b>
<i>HPP if applicable</i>		205.60	217.94	12.34	6.00

**Bussiness - Small (Three Phase) Prepaid Electricity**

		2017/2018	2018/2019	Amount	%
Valuation R3 200 000					
Rates		2 056.00	2 179.36	123.36	6.00
Sewer	SE7D1+SE8A	548.53	581.65	33.12	6.04
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
Refuse	1X Per Week	310.07	328.70	18.63	6.01
Water	40 kl	780.84	827.69	46.85	6.00
VAT	15%	252.17	268.74	16.57	6.57
<b>SUB TOTAL</b>		<b>3 989.31</b>	<b>4 239.68</b>	<b>250.37</b>	<b>6.28</b>
Electricity Pre-paid	1000 kWh	2 054.04	2 194.85	140.81	6.86
VAT	15%	308.11	329.23	21.12	6.86
<b>TOTAL</b>		<b>6 351.45</b>	<b>6 763.75</b>	<b>412.30</b>	<b>6.48</b>
<i>HPP if applicable</i>		205.60	217.94	12.34	6.00

**MONTHLY BASKET OF TARIFFS - VACANT ERVEN 2017/2018****Valuation High**

		2017/2018	2018/2019	Amount	%
Valuation R780 000					
Rates		453.05	480.23	27.18	6.00
Sewer can connect	Availability	108.54	115.09	6.55	6.03
Refuse	Availability	77.51	82.17	4.66	6.02
Electricity	Availability	267.52	291.60	24.08	9.00
Water	Availability	121.83	129.14	7.31	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
VAT	15%	92.56	100.73	8.17	8.82
<b>TOTAL</b>		<b>1 162.71</b>	<b>1 252.49</b>	<b>89.79</b>	<b>7.72</b>
<i>HPP if applicable</i>		45.31	48.02	2.72	6.00

**Valuation Average**

		2017/2018	2018/2019	Amount	%
Valuation R250 000					
Rates		145.21	153.92	8.71	6.00
Sewer can connect	Availability	108.54	115.09	6.55	6.03
Refuse	Availability	77.51	82.17	4.66	6.02
Electricity	Availability	267.52	291.60	24.08	9.00
Water	Availability	121.83	129.14	7.31	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
VAT	15%	92.56	100.73	8.17	8.82
<b>TOTAL</b>		<b>854.08</b>	<b>926.18</b>	<b>72.10</b>	<b>8.34</b>
<i>HPP if applicable</i>		14.52	15.39	0.87	6.00

**Valuation Lower**

		2017/2018	2018/2019	Amount	%
Rates		63.89	67.73	3.83	6.00
Sewer can connect	Availability	108.54	115.09	6.55	6.03
Refuse	Availability	77.51	82.17	4.66	6.02
Electricity	Availability	267.52	291.60	24.08	9.00
Water	Availability	121.83	129.14	7.31	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
VAT	15%	92.56	100.73	8.17	8.82
<b>TOTAL</b>		<b>773.55</b>	<b>839.99</b>	<b>66.44</b>	<b>8.59</b>

**Valuation Low**

		2017/2018	2018/2019	Amount	%
Rates		8.71	9.24	0.52	6.00
Sewer can connect	Availability	108.54	115.09	6.55	6.03
Refuse	Availability	77.51	82.17	4.66	6.02
Electricity	Availability	267.52	291.60	24.08	9.00
Water	Availability	121.83	129.14	7.31	6.00
Infrastructure Basic Charge Water, Electricity & Sewer		41.70	53.54	11.84	28.39
VAT	15%	92.56	100.73	8.17	8.82
<b>TOTAL</b>		<b>718.37</b>	<b>781.50</b>	<b>63.13</b>	<b>8.79</b>



## **ANNEXURE E**

# **CAPITAL BUDGET, WARD PROJECTS & HOUSING PROJECTS**



## CAPITAL BUDGET 2018/19 - 2020/21

			2018/19 BUDGET			2019/20 BUDGET			2020/21 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
Overstrand	Overstrand	Overstrand	EXECUTIVE & COUNCIL			20 000		20 000			
			MINOR ASSETS - COUNCIL	D Arison	Surplus	20 000		20 000			
Overstrand	Overstrand	Overstrand	FINANCE AND ADMINISTRATION			6 311 267		6 311 267	20 000 000		20 000 000
			CT - PABX TELEPHONE DEVICES	C. Johnson	Surplus	1 500 000		1 500 000			
			CT - W/LP PROJECTS TO SEE THE VIABILITY OF OFFERING SERVICES TO COUNCIL	T.C. Johnson	Surplus	250 000		250 000			
			CT - MANAGEMENT ENGINEERING	C. Johnson	Surplus	200 000		200 000			
			CT - DISK STORAGE	C. Johnson	Surplus	1 000 000		1 000 000			
			CT - KRONOS MANAGER FOR WORKFORCE CENTRAL LICENSES	J van Asperen	Surplus	16 000		16 000			
			CT - REP JAC HOSTING SERVERS	C. Johnson	Surplus	600 000		600 000			
			MINOR ASSETS - FINANCE	S. Reynolds	Surplus	30 000		30 000			
			MINOR ASSETS - MANAGEMENT SERVICES	D. Arison	Surplus	20 000		20 000			
			MINOR ASSETS - CT ORGANIZATION WIDE	C. Johnson	Surplus	300 000		300 000			
			VEHICLES - FINANCE & ADMINISTRATION	M. Barman	Surplus	1 700 000		1 700 000			
			VEHICLES - OPERATIONAL MANAGER STAFFORD	M. Barman	Surplus	395 267		395 267			
			SAFETY FENCE OFFICE BUILDING	F. Myburgh	OpexCash-WSP	100 000		100 000			
			SURPLUS	TMT	Surplus				20 000 000		20 000 000
Overstrand	Overstrand	Overstrand	PUBLIC SAFETY			9 106 101		9 106 101	500 000		500 000
			LAW ENFORCEMENT FACILITIES, ALTERATIONS AND ADDITIONS	D. Hendriks	Surplus-R/Over	1 420 501		1 420 501			
			LAWS OF LIFE	L. Smith	Land Sales	800 000		800 000			
			UPGRADING OF FACILITIES - FIRE SERVICES BUILDING	L. Smith	Land Sales	2 480 000		2 480 000			
			MINOR ASSETS - PROTECTION SERVICES	N. Michaels	Surplus	315 600		315 600			
			CCTV CAMERAS	D. Esau	OpexCash-WSP	100 000		100 000			
			CCTV / SECURITY - ENTRANCE TO F. SHERHAVEN & SLIPWAY	D. Esau	OpexCash-WSP	120 000		120 000			
			SAFETY CAMERAS AT ENTRANCES OF TOWN	R. Fraser	OpexCash-WSP	20 000		20 000			
			SAFETY CAMERAS AT ENTRANCES - HANGKUP AREA	R. Fraser	OpexCash-WSP	50 000		50 000			
			CCTV CAMERAS	F. Myburgh	OpexCash-WSP	100 000		100 000			
			VEHICLES - PUBLIC SAFETY	M. Barman	Surplus	3 200 000		3 200 000			
			CCTV CAMERAS	L. Smith	Land Sales	500 000		500 000			
Overstrand	Overstrand	Overstrand	PLANNING & DEVELOPMENT			5 725 000		5 725 000			
			MINOR ASSETS - LED	S. Madikane	Surplus	25 000		25 000			
			HAWTON INDUSTRIAL (BUSINESS) HUB	S. Madikane	Land Sales	5 000 000		5 000 000			
			VEHICLE PLANNING & DEVELOPMENT	M. Barman	Surplus	600 000		600 000			
			MINOR ASSETS - INFRASTRUCTURE & PLANNING	S. Muller	Surplus	100 000		100 000			
Overstrand	Overstrand	Overstrand	COMMUNITY AND SOCIAL SERVICES			4 399 146		4 399 146	1 000 000	2 500 000	3 500 000
			EXTENSION OF THUSONG CENTRE	D. Hendriks	MG					2 500 000	2 500 000
			FENCING OF THUSONG CENTRE	T. Marx	Land Sales	1 234 506		1 234 506			
			FENCING OF HAWTON CAMPING SITE	T. Marx	Land Sales	1 856 240		1 856 240			
			MINOR ASSETS - COMMUNITY SERVICES	R. Williams	Surplus	473 400		473 400			
			EARLY CHILDHOOD DEVELOPMENT - STRUCTURES	F. Myburgh	OpexCash-WSP	100 000		100 000			
			CEMETERY	F. Myburgh	OpexCash-WSP	70 000		70 000			
			UPGRADING OF BUFFELAGBAA RECREATION	F. Myburgh	Surplus	66 000		66 000			
			CEMETERY - KLEINKOND	M. Barman	Land Sales	500 000		500 000			
Overstrand	Overstrand	Overstrand	LIBRARIES			600 000		600 000			
			GANSEBA L BRARY UPGRADING	F. Myburgh	ProvLib Gr	150 000		150 000			
			F. LUXO WEN L BRARY UPGRADING	F. Myburgh	ProvLib Gr	420 000		420 000			
			BETTY'S BAY L BRARY UPGRADING	D. Laakey	ProvLib Gr	30 000		30 000			
Overstrand	Overstrand	Overstrand	SPORT & RECREATION			6 457 184		6 457 184	5 000 000		5 000 000
			ARTIFICIAL TURF SOCCER FIELD	D. Hendriks	MG	100 000		100 000			
			MINOR ASSETS - SPACES FOR SPORT	F. Myburgh	Spaces for Sport	4 017 184		4 017 184			
			HERMANUS SPORTS COMPLEX PROJECTS	R. Kuchar	Land Sales	1 000 000		1 000 000			
			P. JAYPARKS	F. Myburgh	OpexCash-WSP	80 000		80 000			
			T. DAL POOL & PLAY PARK	T. Steenberg	OpexCash-WSP	50 000		50 000			
			FENCING OF LARGE STREET LIGHTS	J. De Villiers	OpexCash-WSP	150 000		150 000			
			ROOF FOR ZWELHLE BOXING GYM & LOCKER GATES	J. De Villiers	OpexCash-WSP	40 000		40 000			
			P. ROHAS NG OF PLAY PARK EQUIPMENT - MSHENKISWA VILLAGE	J. De Villiers	OpexCash-WSP	60 000		60 000			
			INSTALLATION OF ASTRO TURF	J. De Villiers	OpexCash-WSP	100 000		100 000			
			CONSTRUCTION OF PLAY EQUIPMENT AND SITTING AREAS	J. De Villiers	OpexCash-WSP	60 000		60 000			



2018/19 BUDGET			2019/20 BUDGET			2020/21 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
Hermanus	Fishermen	Ward 08	UPGRADE OF PLAY PARK AT SLIPWAY	J De Villiers	OpenCash-WSP	10 000		10 000
Hermanus	Hawston	Ward 08	UPGRADE HAWSTON SPORT GROUNDS PHASE 1	D Hendricks	MIG	1 500 000		1 500 000
Kemmond	Kemmond	Ward 09	OUTDOOR TRIM GYM - NA N BEACH	D Luley	OpenCash-WSP	70 000		70 000
Kemmond	Kemmond	Ward 09	FENCING AT NETBALL COURT	D van Rhodde	OpenCash-WSP	30 000		30 000
Buff Jacobs	Buff Jacobs	Ward 11	UPGRADE OF PUBLIC LAUNCHING SITE	F McLaughlin	OpenCash-WSP	50 000		50 000
Hermanus	Zweilhe	Ward 12	PURCHASING OF PLAY PARK EQUIPMENT LANDA, SIYAZAMA STREET	J de Villiers	OpenCash-WSP	30 000		30 000
Hermanus	Zweilhe	Ward 12	PURCHASING OF OUTDOOR GYM EQUIPMENT	J de Villiers	OpenCash-WSP	20 000		20 000
Hermanus	Zweilhe	Ward 12	PURCHASING OF CONTAINERS FOR CHANGING ROOMS AT JIKLEZA	B Plessis	OpenCash-WSP	70 000		70 000
Hermanus	Zweilhe	Ward 12	CONSTRUCTION OF PLAY EQUIPMENT AND SITTING AREAS	J de Villiers	OpenCash-WSP	80 000		80 000
Hermanus	Zweilhe	Ward 12	INSTALLATION OF ASTROTUFF	J de Villiers	OpenCash-WSP	100 000		100 000
Hermanus	Orkus/Vermont	Ward 13	RE-DESIGN OF ONRUS BEACH AREA	J de Villiers	OpenCash-WSP	40 000		40 000
Overstrand	Overstrand	Overstrand	VEHICLES-PARKS	M Barmen	Surplus	400 000		400 000
<b>HOUSING</b>						<b>35 467 237</b>	<b>29 479 957</b>	<b>33 812 905</b>
Gansbaai	Masakhane	Ward 01	MASAKHANE	B Louw	Prov-Housing	8 448 082	14 084 938	18 917 140
Hermanus	Zweilhe	Ward 05	ZWEILHE PROJECT TRANSIT CAMP(102)	B Louw	Prov-Housing	1 500 000	8 406 420	9 906 420
Hermanus	Zweilhe	Ward 06	ZWEILHE PROJECT-MADEIRA SQUARE	B Louw	Prov-Housing	1 463 950		1 463 950
Hermanus	Zweilhe	Ward 06	ZWEILHE TOWN SQUARE PROJECT	B Louw	Prov-Housing	5 517 519	6 988 599	12 506 118
Stanford	Stanford	Ward 11	STANFORD IRDP	B Louw	Prov-Housing	16 313 461		16 313 461
Gansbaai	Bompank	Ward 02	BLOMPARK PROJECT	B Louw	Prov-Housing	2 223 305		2 223 305
Gansbaai	Beverly Hills	Ward 02	BEVERLY HILLS USP	B Louw	Prov-Housing			
<b>ROADS</b>						<b>7 840 000</b>	<b>4 000 000</b>	<b>2 000 000</b>
Gansbaai	Bompank	Ward 02	REHABILITATE ROADS - BLOMPARK	D Hendricks	MIG	2 000 000	2 000 000	4 000 000
Stanford	Stanford	Ward 11	REHABILITATE ROADS - STANFORD	D Hendricks	MIG	2 000 000	2 000 000	4 000 000
Hermanus	Hermanus	Ward 03	CBD REGENERATION PROGRAM	S Muller	Land Sales	3 000 000		3 000 000
Hermanus	Hermanus	Ward 03	CBD REVITALISATION - HIGH STREET UPGRADE	J De Villiers	OpenCash-WSP	200 000		200 000
Gansbaai	Masakhane	Ward 01	NEW SIDEWALKS	T Steenberg	OpenCash-WSP	100 000		100 000
Gansbaai	Bompank/Kleinbaai	Ward 02	UPGRADE OF SIDEWALKS	T Steenberg	OpenCash-WSP	100 000		100 000
Hermanus	Westcliff	Ward 04	WESTCLIFF SPEED CALMING MEASURES	J De Villiers	OpenCash-WSP	225 000		225 000
Hermanus	Westcliff	Ward 04	UPGRADING OUTSIDE HOUSE LITTLE THERON FRONT AREA	J De Villiers	OpenCash-WSP	50 000		50 000
Hermanus	Mount Pleasant	Ward 04	SPEED CALMING MEASURES/ANGELER DAHLIA, MALVA, ORIGDEE	J De Villiers	OpenCash-WSP	75 000		75 000
Hermanus	Mount Pleasant	Ward 04	SIDEWALKS HEIDE JUTTYCH ON TOWN, DAHLIA, ANGELIER, ASTER	J De Villiers	OpenCash-WSP	150 000		150 000
Hermanus	Zweilhe	Ward 05	SPEED CALMING MEASURES SOBUNKWE, STEVE BINKO	J De Villiers	OpenCash-WSP	50 000		50 000
Hermanus	Zweilhe	Ward 05	SIDE WALK MANSUKWEN	J De Villiers	OpenCash-WSP	100 000		100 000
Kleinmond	Kleinmond	Ward 09	FENCING OF THE FOOTPATH - (HEUNINGKLOOF)	D van Rhodde	OpenCash-WSP	80 000		80 000
Hermanus	Sandbaai	Ward 10	NEW STREETS SIDEWALKS & PARKING AREA	J De Villiers	OpenCash-WSP	500 000		500 000
Rooibos	Rooibos	Ward 10	PAVING OF ANEMONE ROAD, NROC ELS	D van Rhodde	OpenCash-WSP	150 000		150 000
Pingel Bay	Pingel Bay	Ward 10	CONSTRUCTION OF SIDEWALK - PRINGLE BAY	D van Rhodde	OpenCash-WSP	50 000		50 000
Hermanus	Sandbaai	Ward 10	TARRING OF ROADS - SANDBAAI	J De Villiers	Land Sales	2 000 000		2 000 000
Kleinmond	Kleinmond	Ward 10	BUS SHELTER - PROTEADORP	D van Rhodde	OpenCash-WSP	100 000		100 000
Hermanus	Proteaadorp	Ward 11	TRAFFIC CALMING	T Steenberg	OpenCash-WSP	50 000		50 000
Gansbaai	Pearry Beach All	Ward 11	TRAFFIC CALMING	T Steenberg	OpenCash-WSP	50 000		50 000
Stanford	Thembelille	Ward 11	TRAFFIC CALMING	T Steenberg	OpenCash-WSP	30 000		30 000
Gansbaai	De Kelders	Ward 12	ATLANTIC DRIVE WALKWAY	J De Villiers	OpenCash-WSP	180 000		180 000
Hermanus	Orkus/Vermont	Ward 13	SIDEWALKS - DOUGLAS STREET	J De Villiers	OpenCash-WSP	50 000		50 000
Hermanus	Orkus/Vermont	Ward 13	SIDEWALKS ON THE WESTERN SIDE OF NEGESTER, ONRUS MAIN ROAD	J De Villiers	OpenCash-WSP	70 000		70 000
Overstrand	Overstrand	Overstrand	VEHICLE ROADS	M Barmen	Surplus	500 000		500 000
Stanford	Stanford	Ward 02	BLOMPARK HOUSING PROJECT BUS RAMP	D Hendricks	MIG			
Stanford	Stanford	Ward 11	STANFORD HOUSING PROJECT BUS RAMP	D Hendricks	MIG			
Gansbaai	Masakhane	Ward 01	MASAKHANE HOUSING PROJECT BUS RAMP	D Hendricks	MIG			
Hermanus	Hawston	Ward 05	HAWSTON HOUSING PROJECT BUS RAMP	D Hendricks	MIG			
<b>ELECTRICITY</b>						<b>20 510 000</b>	<b>4 262 000</b>	<b>24 772 000</b>
Gansbaai	Frankisa	Ward 01	FRANKISAAL KLEINBAAI & BRINKHOF SUBSTATION	D Mamee	EL10/20	2 500 000	2 500 000	5 000 000
Gansbaai	Gansbaai All	Ward 01&02	FRANKISAAL KBAAI & BHEAD NEW SUBSTATION	D Mamee	EL121			
Stanford	Stanford	Ward 11	STANFORD MV UPGRADE	D Mamee	EL19/20	1 000 000	750 000	1 750 000
Hermanus	Hermanus, Zweilhe	Ward 04, 05, 06, 08	ELECTRIFICATION OF LOW COST HOUSING (ARMSBURY)	K de Plessis	INEP	4 262 000	7 040 000	11 302 000
Hermanus	Zweilhe	Ward 05	STREET LIGHT HOLOBO STREET (WILDE LIBERTY)	K de Plessis	OpenCash-WSP	250 000		250 000
Hermanus	Zweilhe	Ward 05	CHR STIMAS LIGHTS	K de Plessis	OpenCash-WSP	10 000		10 000
Hermanus	Zweilhe	Ward 06	CHR STIMAS LIGHTS	K de Plessis	OpenCash-WSP	30 000		30 000
Hermanus	Hawston	Ward 08	NEW STREET LIGHTS - C. NIC STR. (KOPJE STR.)	K de Plessis	OpenCash-WSP	40 000		40 000
Hermanus	Orkus/Vermont	Ward 13	STREET LIGHTS	K de Plessis	OpenCash-WSP	30 000		30 000
Overstrand	Overstrand	Overstrand	VEHICLES-ELECTRICITY	M Barmen	Surplus	2 000 000		2 000 000
Hermanus	Hermanus	Ward 03	HERMANUS MV & LV UPGRADE/REPLACEMENT	K de Plessis	EL19&18/20	10 150 000	5 000 000	15 150 000
Kleinmond	Kleinmond	Ward 03	KLEINMOND MV & LV UPGRADE/REPLACEMENT	K de Plessis	EL19/20	1 750 000	2 000 000	3 750 000
Hermanus	Hawston	Ward 08	HAWSTON MV & LV UPGRADE/REPLACEMENT	K de Plessis	EL19/20	1 750 000	2 000 000	3 750 000
Overstrand	Overstrand	Overstrand	ELECTRICITY TRANSFORMERS/CAPITAL REPLACEMENT CONTINGENCY	S Muller	EL19/20	1 000 000	1 000 000	2 000 000
<b>TOTAL</b>						<b>13 000 000</b>	<b>7 040 000</b>	<b>20 040 000</b>
<b>EXTERNAL (GRANTS)</b>						<b>2 250 000</b>	<b>15 000 000</b>	<b>17 250 000</b>
<b>TOTAL</b>						<b>15 250 000</b>	<b>6 400 000</b>	<b>21 650 000</b>



2018/19 BUDGET			2019/20 BUDGET			2020/21 BUDGET		
Area	Local Area	Ward	Project Description	Project Manager	Funding Source	COUNCIL FUNDED	EXTERNAL (GRANTS)	TOTAL
<b>WATER</b>								
Overstrand	Overstrand	Overstrand	WATER MASTER PLAN IMPLEMENTATION	H Blignaut	ELINFRA LEVY	25 562 505	3 514 000	30 076 505
Hermanus	Hermanus	Ward 03	DIRECT WASTE WATER REFUSE PLANT	H Blignaut	EL21-MIG	10 000 000		10 000 000
Gansbaai	Buffelsbaai	Ward 11	WATER TREATMENT PLANT FOR BUFFELJAGSBAAI	H Blignaut	EL20			
Overstrand	Overstrand	Overstrand	REFURBISHMENT OF BULK WATER PIPELINES	H Blignaut	EL21-MIG	2 000 000		2 000 000
Overstrand	Overstrand	Overstrand	FENCING AT WATER INSTALLATIONS	H Blignaut	EL19/20/21	800 000		800 000
Overstrand	Overstrand	Overstrand	REPLACEMENT OF OVERSTRAND WATER PIPES	H Blignaut	EL20	2 900 000		2 900 000
HM-KM	Muldersare -HM/KM	Overstrand	BUFFELSVRIVER AND DE BOS DAM INTAKE STRUCTURES AND EQUIPMENT	H Blignaut	EL19/20	1 300 000		1 300 000
Overstrand	Overstrand	Overstrand	WATER FACILITIES (CONTINGENCY)	H Blignaut	EL19/20/21	200 000		200 000
Gansbaai	Masakhane	Ward 1 & 2	NEW 4ML RESERVOIR	D Hendricks	MIG		5 472 000	5 472 000
Gansbaai	Blompark	Ward 02	UPGRADE BULK WATER	D Hendricks	MIG			
Gansbaai	Masakhane	Ward 01	UPGRADE WATER LINES	H Blignaut	MIG			
Gansbaai	Masakhane	Ward 01	NEW BOOSTER PUMPSTATION & VALVES	H Blignaut	MIG			
Hermanus	Hermanus	Ward 04	UPGRADE HERMANUS WELLS FIELDS PHASE 1	H Blignaut	EL 19/20	7 000 000		7 000 000
Stanford	Stanford	Ward 11	WATER STABILIZATION PLANT FOR STANFORD	H Blignaut	EL 19/20	1 500 000		1 500 000
Kleinmond	Pingel Bay	Ward 10	NEW RESERVOIR FOR PRINGLE BAY	H Blignaut	EL 19-EL 19/over	5 882 505		5 882 505
Kleinmond	KM & Bekebaai	Ward 10	REFURBISHMENT OF KLEINMOND & BUFFELS RIVER WTW	H Blignaut	EL20/21			
Kleinmond	Kleinmond	Ward 09	KLEINMOND PALMIET PUMP STATION AND BULK PIPELINE REFURBISH	H Blignaut	EL20			
<b>SEWERAGE</b>								
Overstrand	Overstrand	Overstrand	SEWERAGE FACILITIES (CONTINGENCY)	H Blignaut	EL19/20	500 000		500 000
Kleinmond	Kleinmond	Ward 09	KLEINMOND - SEWER NETWORK EXTENSION	H Blignaut	EL19/20/21	4 000 000		4 000 000
Hermanus	Onrus	Ward 13	UPGRADING OF KIDBROOKE PIPELINE	H Blignaut	EL 19-EL 19/over	4 020 000		4 020 000
Stanford	Stanford	Ward 11	WWTW UPGRADE - STANFORD	H Blignaut	EL 19-EL 19/over-MIG	8 442 218		8 442 218
Gansbaai	Blompark	Ward 02	PROVISION OF BULK SEWER SUPPLY	D Hendricks	MIG	7 735 000		7 735 000
Kleinmond	Kleinmond	Ward 10	KLEINMOND WWTW REFURBISH & UPGRADE	D Hendricks	MIG	3 261 000		3 261 000
Gansbaai	Masakhane	Ward 01	UPGRADE LNK SEWER SUPPLY	D Hendricks	MIG			
Gansbaai	Masakhane	Ward 01	UPGRADE BULK SEWER	D Hendricks	MIG			
Stanford	Stanford	Ward 11	UPGRADE BULK SEWER	D Hendricks	MIG			
Hermanus	Zwelithe	Ward 12	UPGRADE ZWELITHE SEWER	D Hendricks	MIG			
Kleinmond	Kleinmond	Ward 09	REHABILITATE MAIN BULK SEWER TO WWTW PH1	H Blignaut	EL20/21	3 000 000		3 000 000
Overstrand	Overstrand	Overstrand	FENCING AT SEWERAGE INSTALLATIONS	H Blignaut	EL19/20	800 000		800 000
Overstrand	Overstrand	Overstrand	SEWERAGE NETWORK EXTENSION AND REPLACEMENT	H Blignaut	ELINFRA LEVY	4 000 000		4 000 000
Gansbaai	Gansbaai	Ward 02	GANSBAAI CBD SEWER NETWORK EXTENSION	H Blignaut	EL			
Kleinmond	Kleinmond	Ward 09	EXTENSION OF THE SEWER NETWORK (MOUNTAIN AVENUES)	H Blignaut	OpenCash-WSP	300 000		300 000
Overstrand	Overstrand	Overstrand	VEHICLES-SEWERAGE	M Barman	Surplus	5 050 000		5 050 000
Overstrand	Overstrand	Overstrand	UPGRADING OF PUMPSTATIONS & RISING MAINS	H Blignaut	EL 19-EL 19/over & EL21	1 925 343		1 925 343
Hermanus	Hermanus	Ward 03	EXTENSION OF SEWER LINE 12th STREET VORSTADT	H Blignaut	EL19	250 000		250 000
<b>STORMWATER</b>								
Gansbaai	Blompark	Ward 02	BLOMPARK HOUSING PROJECT BULK STORMWATER	D Hendricks	MIG	11 410 000	293 000	11 703 000
Gansbaai	Masakhane	Ward 01	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	30 000		30 000
Gansbaai	Fransbaai	Ward 01	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	50 000		50 000
Gansbaai	Gansbaai	Ward 02	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	50 000		50 000
Gansbaai	Peach Beach	Ward 11	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	50 000		50 000
Gansbaai	Beerskeerdersbos	Ward 11	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	50 000		50 000
Stanford	Thembelie	Ward 11	STORMWATER (AD HOC)	T Steenberg	OpenCash-WSP	50 000		50 000
Hermanus	Hermanus	Ward 08	HAWSTON STORM WATER N.CLOSE ROAD	J De Villiers	OpenCash-WSP	130 000		130 000
Betty's Bay	Betty's Bay	Ward 10	STORMWATER PIPING - ACCESS ROAD BETTY'S BAY	D Van Roodie	OpenCash-WSP	50 000		50 000
Hermanus	Onrus/Vermont	Ward 13	SHEARWATER CRESCENT STORM WATER CHANNEL TO BE PIPED	J De Villiers	OpenCash-WSP	50 000		50 000
Hermanus	Zwelithe	Ward 12	CATCHMENTS FOR WARD 12 STREETS QUANYA MANDELA LUXOLWENI	J De Villiers	OpenCash-WSP	100 000		100 000
Gansbaai	Masakhane	Ward 01	MASAKHANE HOLDING PROJECT BULK STORMWATER	D Hendricks	MIG	293 000		293 000
Hermanus	Hermanus	Ward 03	STORMWATER - PHASE 1-INDUSTRIAL AREA	D Hendricks	Land Sales	3 800 000		3 800 000
Hermanus	Hermanus	Ward 03	STORMWATER - MAIN ROAD & HIGH STREET	D Hendricks	Land Sales	4 000 000		4 000 000
Kleinmond	Overhills	Ward 10	STORMWATER - OVERHILLS	D Hendricks	Land Sales	3 000 000		3 000 000
Stanford	Stanford	Ward 11	STANFORD HOUSING PROJECT BULK STORMWATER	D Hendricks	MIG			
<b>WASTE MANAGEMENT</b>								
Gansbaai	Masakhane	Ward 01	PURCHASING OF WASTE SKIPS	T Steenberg	OpenCash-WSP	1 540 000		1 540 000
Overstrand	Overstrand	Overstrand	VEHICLES-WASTE MANAGEMENT	M Barman	Surplus	40 000		40 000
<b>GRAND TOTAL</b>								
						132 168 764	62 068 297	194 237 061
						75 500 000	58 529 957	134 029 957
						74 000 000	63 248 905	137 248 905

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OVERSTRAND MUNICIPALITY  
23 MAY 2018  
OVERSTRAND MUNICIPALITY

## 2018/2019 - WARD SPECIFIC PROJECTS

Town	Local Area	Ward	Project Description	PROJECT MANAGER	BUDGET	CAPEX/ OPEX
Kleinmond	Kleinmond	9	Fencing of the footpath (Hemingsford)	D van Rhodde	80 000	Opex
Kleinmond	Kleinmond	9	Outdoor Trm Gym - Main Beach	D Lacey	70 000	Capex
Kleinmond	Kleinmond	9	Extension of the sewer network (Mountain Avenues)	H Blignaut	300 000	Capex
Kleinmond	Profaadorp	9	Fencing of the school court	D Van Rhodde	30 000	Capex
Kleinmond	Kleinmond	9	Safety cameras at entrances of town	R Fraser	20 000	Capex
Kleinmond	Overhills	10	Bambanani Crèche - Maintenance & Repairs	D Lacey	500 000	Opex
Kleinmond	Profaadorp	10	Sydney's Crèche - Maintenance & Repairs	D Lacey	30 000	Opex
Kleinmond	Betty's Bay	10	Street Name Boards (Betty's Bay)	D van Rhodde	20 000	Opex
Hangklip	Hangklip Area	10	Safety Cameras at entrances - Hangklip area	R Fraser	50 000	Opex
Hangklip/KM	Hangklip/Kleinmond	10	Beautification of entrances and public places	D van Rhodde	50 000	Opex
Rooiels	Rooiels	10	Paving of Airmen's Road in Rooi Els	D van Rhodde	150 000	Capex
Betty's Bay	Betty's Bay	10	Watermain piping - Access Road Betty's Bay	D van Rhodde	30 000	Capex
Betty's Bay	Betty's Bay	10	Basic Assessment for development of Vlei area Betty's Bay	D Lacey	50 000	Opex
Pringle Bay	Pringle Bay	10	Construction of seawall - Pringle Bay	D van Rhodde	500 000	Capex
Gansbaai	P Beach/Beaufjochts	11	Surfacing (dust control) of low volume gravel roads	T Steenberg	100 000	Opex
Gansbaai	Pearly Beach	11	Stormwater (Ad hoc)	T Steenberg	50 000	Capex
Gansbaai	Beardkloofdorsbos	11	Stormwater (Ad hoc)	T Steenberg	50 000	Capex
Stanford	Thembelille	11	Stormwater (Ad hoc)	T Steenberg	50 000	Capex
Gansbaai	Pearly Beach All	11	Traffic calming	T Steenberg	50 000	Capex
Stanford	Thembelille	11	Traffic calming	T Steenberg	50 000	Capex
Beaufjochts	Beaufjochts	11	Upgrade of Public Laundry Site	F Myburgh	50 000	Capex
Stanford	Stanford	11	CCTV Cameras	F Myburgh	100 000	Capex
Zwellithe	Zwellithe	12	Earth works for outdoor gym & play parks	J de Villiers	50 000	Opex
Zwellithe	Zwellithe	12	Casting of concrete in front of Jikeleza Street basketball court	J de Villiers	50 000	Opex
Zwellithe	Zwellithe	12	Changing rooms	J de Villiers	30 000	Capex
Hermanus	Zwellithe	12	Purchasing of play park equipment Landia, Siyazama Street	J de Villiers	20 000	Capex
Hermanus	Zwellithe	12	Purchasing of outdoor gym equipment	J de Villiers	20 000	Capex
Hermanus	Zwellithe	12	Purchasing of containers for changing rooms at Jikeleza	B Prasiljies	70 000	Capex
Hermanus	Zwellithe	12	Basketball court	B Prasiljies	70 000	Capex
Hermanus	Zwellithe	12	Catch pits for ward 12 streets Chayiya, Mandela, Luxwani, Zithande, Nkwenkwe, Zuma, Ubulile, Umhondo Street	J de Villiers	100 000	Capex
Hermanus	Zwellithe	12	Installation of Astro turf	J de Villiers	100 000	Capex
Hermanus	Zwellithe	12	Construction of play equipment and sitting areas	J de Villiers	500 000	Capex
Hermanus	Onrus/Vermont	13	Re-design of Onrus beach area	J de Villiers	40 000	Capex
Hermanus	Onrus/Vermont	13	Coastal Path	J de Villiers	100 000	Opex
Hermanus	Onrus/Vermont	13	Atlantic Drive Walkway	J de Villiers	180 000	Capex
Hermanus	Onrus/Vermont	13	Shearwater Crescent Storm water channel to be piped	J de Villiers	50 000	Capex
Hermanus	Onrus/Vermont	13	Sidewalk - Douglas Street	J de Villiers	50 000	Capex
Hermanus	Onrus/Vermont	13	Sidewalk on the Western side of Negester, Onrus Main Rd	J de Villiers	70 000	Capex
Hermanus	Onrus/Vermont	13	Streetslights	K du Plessis	30 000	Capex
Hermanus	Onrus/Vermont	13	Streetslights	K du Plessis	30 000	Capex
GRAND TOTAL					6 500 000	
					OPEX	1 250 000
					CAPEX	5 250 000

CAPEX/ OPEX	PROJECT MANAGER	BUDGET
Opex	T Steenberg	100 000
Capex	T Steenberg	30 000
Capex	T Steenberg	50 000
Opex	T Steenberg	100 000
Capex	T Steenberg	100 000
Capex	T Steenberg	40 000
Capex	T Steenberg	80 000
Capex	F Myburgh	500 000
Capex	F Myburgh	100 000
Capex	F Myburgh	100 000
Capex	F Myburgh	70 000
Capex	T Steenberg	50 000
Capex	T Steenberg	100 000
Capex	T Steenberg	30 000
Capex	F Myburgh	500 000
Opex	J de Villiers	200 000
Opex	J de Villiers	100 000
Capex	J de Villiers	200 000
Capex	J de Villiers	500 000
Capex	J de Villiers	225 000
Capex	J de Villiers	50 000
Capex	J de Villiers	75 000
Capex	J de Villiers	150 000
Capex	J de Villiers	500 000
Capex	J de Villiers	50 000
Capex	K du Plessis	250 000
Capex	J de Villiers	100 000
Capex	J de Villiers	60 000
Capex	J de Villiers	150 000
Capex	J de Villiers	100 000
Capex	J de Villiers	60 000
Capex	J de Villiers	500 000
Capex	J de Villiers	500 000
Capex	J de Villiers	500 000
Capex	J de Villiers	130 000
Capex	K du Plessis	30 000
Opex	J de Villiers	50 000
Opex	J de Villiers	120 000
Capex	K du Plessis	40 000
Capex	K du Plessis	120 000
Capex	K du Plessis	10 000
Capex	J de Villiers	500 000

Town	Local Area	Ward	Project Description	PROJECT MANAGER	BUDGET
Gansbaai	Maasikane	1	Rehabilitation of existing roads	T Steenberg	100 000
Gansbaai	Maasikane	1	Stormwater (Ad hoc)	T Steenberg	30 000
Gansbaai	Maasikane	1	Stormwater (Ad hoc)	T Steenberg	50 000
Gansbaai	Maasikane	1	Stormwater (Ad hoc)	T Steenberg	100 000
Gansbaai	Maasikane	1	Stormwater (Ad hoc)	T Steenberg	100 000
Gansbaai	Maasikane	1	New sidewalks	T Steenberg	40 000
Gansbaai	Maasikane	1	Purchasing of waste skip bins	T Steenberg	80 000
Gansbaai	Maasikane	1	Playparks	F Myburgh	500 000
Gansbaai	Gansbaai	2	Safety Fence Office Building	F Myburgh	100 000
Gansbaai	Gansbaai	2	Early Childhood Development (Building erect)	F Myburgh	100 000
Gansbaai	Gansbaai	2	Cemetery	T Steenberg	70 000
Gansbaai	Gansbaai	2	Stormwater (Ad hoc)	T Steenberg	50 000
Gansbaai	Gansbaai	2	Upgrade of sidewalks	T Steenberg	100 000
Gansbaai	Gansbaai	2	Traffic calming	T Steenberg	30 000
Gansbaai	Gansbaai	2	Tidal pool & play park	F Myburgh	500 000
Hermanus	CBD	3	Formalized parking and drop off areas near Hermanus High School	J de Villiers	200 000
Hermanus	CBD	3	Cliff Path maintenance	J de Villiers	100 000
Hermanus	CBD	3	CBD revitalisation - High Street upgrade	J de Villiers	200 000
Hermanus	Westcliff	4	Westcliff speed calming measures	J de Villiers	225 000
Hermanus	Westcliff	4	Upgrading outside Huis Lettie Theron front area	J de Villiers	50 000
Hermanus	Westcliff	4	Mount Pleasant Speed calming measures (Angelier, Dahlia, Malva, Origine, China Town, Ulyk)	J de Villiers	75 000
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Hermanus	Westcliff	4	Malva, Orig		

# PROPOSED 3 YEAR HOUSING BUDGET 2018-2021

Project	Proposed Budget 2018/2019	Proposed Budget 2019/2020	Proposed Budget 2020/2021
EHP	790 200	200 000	200 000
Hawston TS (378)	18 951 570	25 428 760	300 000
Blompark TS	3 548 933	22 031 283	24 641 727
Site C TS (132 )	264 000		
Housing Admin Site TS (39)	78 000		
Masakhane TS			6 045 368
Social Housing		4 000 000	4 000 000
<b>TOTAL OPEX</b>	<b>23 632 703</b>	<b>51 660 043</b>	<b>35 187 095</b>

Stanford IRDP	5 517 519	6 988 599	10 008 900
Masakhane	8 449 062	14 084 938	18 917 140
Blompark	16 313 461		
Beverly Hills	2 223 305		
Mandela Square /Garden Site	1 463 950		
Transit Camp & Asazani (166)	1 500 000	8 406 420	
Tambo Square			4 886 865
<b>TOTAL CAPEX</b>	<b>35 467 297</b>	<b>29 479 957</b>	<b>33 812 905</b>
<b>GRAND TOTAL</b>	<b>59 100 000</b>	<b>81 140 000</b>	<b>69 000 000</b>



## **ANNEXURE F**

# **SERVICE LEVEL STANDARDS**





Province: Municipality(WC032) - Schedule of Service Delivery Standards	
Description	Service Level 2018/2019
<b>Standard</b>	
<b>Solid Waste Removal</b>	
Premise based removal (Residential Frequency)	WEEKLY
Premise based removal (Business Frequency)	UP TO 5 TIMES PER WEEK (AS PER REQUEST)
Bulk Removal (Frequency)	NO
Removal Bags provided(Yes/No)	NO
Garden refuse removal Included (Yes/No)	NO
Street Cleaning Frequency in CBD	DAILY
Street Cleaning Frequency in areas excluding CBD	DAILY ON ROTATIONAL BASIS
How soon are public areas cleaned after events (24hours/48hours/longer)	WITHIN 24 HRS
Clearing of illegal dumping (24hours/48hours/longer)	48 HOURS
Recycling or environmentally friendly practices(Yes/No)	Yes
Licensed landfill site(Yes/No)	Yes
<b>Water Service</b>	
Water Quality rating (Blue/Green/Brown/NO drop)	1 Blue Drop 90.79% (2013); 4 Green Drops 89.14% (2012); No Drop 100%
Is free water available to all? (All/only to the indigent consumers)	Indigent Consumers
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
<b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b>	
One service connection affected (number of hours)	2.00
Up to 5 service connection affected (number of hours)	4.00
Up to 20 service connection affected (number of hours)	4.00
Feeder pipe larger than 800mm (number of hours)	N/A
What is the average minimum water flow in your municipality?	Min 2.4Bar pressure
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes. Groundwater Monitoring Programs
How long does it take to replace faulty water meters? (days)	5 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
<b>Electricity Service</b>	
What is your electricity availability percentage on average per month?	98,78% (Eskom Loadshedding included) 99.7% (Eskom Loadshedding excluded)
Do your municipality have a ripple control in place that is operational? (Yes/No)	YES
How much do you estimate is the cost saving in utilizing the ripple control system?	R 14777.32.00
What is the frequency of meters being read? (per month, per year)	PER MONTH
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	IMMEDIATE
Are accounts normally calculated on actual readings? (Yes/no)	YES
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	NO
How long does it take to replace faulty meters? (days)	1
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	YES
How effective is the action plan in curbing line losses? (Good/Bad)	GOOD



Description	Service Level 2018/2019
<b>Standard</b>	
How soon does the municipality provide a quotation to a customer upon a written request? (days)	7
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	5
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	5
<b>Sewerage Service</b>	
Are your purification system effective enough to put water back in to the system after purification?	YES, effective to put water back into water resources in accordance with license conditions.
To what extent do you subsidize your indigent consumers?	Basic charge plus 4,2kl or tanker service
<b>How long does it take to restore sewerage breakages on average</b>	
Severe overflow? (hours)	4.00
Sewer blocked pipes: Large pipes? (Hours)	4.00
Sewer blocked pipes: Small pipes? (Hours)	4.00
Spillage clean-up? (hours)	8.00
Replacement of manhole covers? (Hours)	4.00
<b>Road Infrastructure Services</b>	
Time taken to repair a single pothole on a major road? (Hours)	24.00
Time taken to repair a single pothole on a minor road? (Hours)	72.00
Time taken to repair a road following an open trench service crossing? (Hours)	72.00
Time taken to repair walkways? (Hours)	72.00
<b>Property valuations</b>	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months
Do you have any special rating properties? (Yes/No)	yes
<b>Financial Management</b>	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsourced? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Standard Operating Procedures
How long does it take for an Tax/Invoice to be paid from the date it has been received?	24.83 days
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Partially (currently being developed)
<b>Administration</b>	
Reaction time on enquiries and requests?	1 to 10
Time to respond to a verbal customer enquiry or request? (working days)	1 to 10
Time to respond to a written customer enquiry or request? (working days)	10
Time to resolve a customer enquiry or request? (working days)	10
What percentage of calls are not answered? (5%, 10% or more)	1
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	yes
Is there a reduction in the number of complaints or not? (Yes/No)	no





Description	Service Level 2018/2019
<b>Standard</b>	
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Weekly
<b>Community safety and licensing services</b>	
How long does it take to register a vehicle? (minutes)	30min
How long does it take to renew a vehicle license? (minutes)	10min
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	72hours
How long does it take to de-register a vehicle? (minutes)	10min
How long does it take to renew a drivers license? (minutes)	30min
What is the average reaction time of the fire service to an incident? (minutes)	4.25 min
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	15 min urban
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	40 min urban
<b>Economic development</b>	
How many economic development projects does the municipality drive?	7
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4
What percentage of the projects have created sustainable job security?	50
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
<b>Other Service delivery and communication</b>	
Is a information package handed to the new customer? (Yes/No)	Yes - available on <a href="http://www.overstrand.gov.za">www.overstrand.gov.za</a>
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes





## **ANNEXURE G**

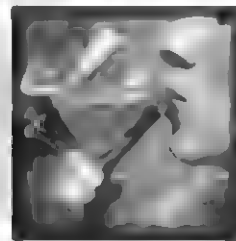
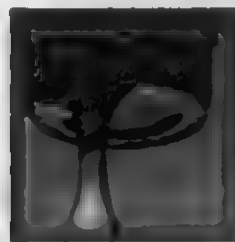
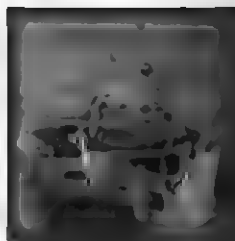
# **WATER & WASTE WATER QUALITY**





# 2014

## Blue Drop Report



**water & sanitation**

Department  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA



**blue drop**

CERTIFICATION

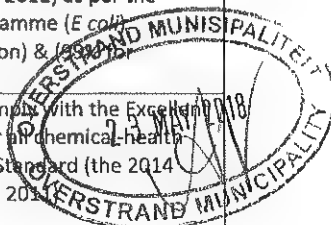


## Blue Drop Requirements for 2014

2014 BLUE DROP REQUIREMENTS		
<b>(1)</b>  <b>WATER SAFETY PLANNING</b>  <b>35%</b>	<b>(1.1)</b> <b>WATER SAFETY PLANNING PROCESS (10%)</b>	a) The Water Safety Planning Process is steered by a group of people which includes the technical, financial and management staff of the municipality. Where a Water Services Provider arrangement exist the WSA and Water Services Provider should partake in this process b) There should be clear indication that the Water Services Institution conducted a water safety planning process and not only drafted a document c) There should be clear reference to the specific water supply system at hand and not only global risk management measurements put in place
	<b>(1.2)</b> <b>RISK ASSESSMENT (35%)</b>	a) The Risk Assessment must cover catchment, treatment and reticulation b) The Water Services Institution (WSI) must provide information on findings of the Risk Assessment (and detail Risk Prioritisation method followed) for the specific water supply system including water resource quality. Format not important but it should be proven not to be a desktop study c) The Water Safety Planning process must include (adequate) Control Measures for each significant hazard or hazardous event identified d) A Water Quality Analyses conducted for at least 95% of the SANS 241 list of determinands (min 80%) (SANS 241). This is to verify whether treatment technology is adequate to treat the raw water to comply with national standard limits e) The WSI to proof implementation of mitigation measures from previous Water Safety Plans
	<b>(1.3)</b> <b>MONITORING PROGRAMME (30%)</b>	a) Prove Operational Monitoring is: i) Informed by the Risk Assessment ii) Required sites to monitor: Raw water, after filtration (per process unit) and final water iii) Determinands (minimum): pH, turbidity and disinfectant residual iv) Frequency of analyses: at least every 8 hours v) Equipment used + calibration records b) Prove Compliance Monitoring is: i) Informed by the Risk Assessment and SANS 241 compliant ii) Monitoring programme is registered on BDS iii) Actual monitoring occur according to registered BDS monitoring programme (>80%) iv) Required sites to monitor: Water works final & distribution network + Frequency of analyses: Water works final according SANS 241; distribution network according SANS 241 v) Coverage of population served must at least be 80%
	<b>(1.4)</b> <b>CREDIBILITY of DWQ DATA (15%)</b>	a) Certificate of Accreditation for applicable methods OR Z-scores results (z-scores must be $\geq -2$ & $\leq 2$ are acceptable) in a recognised Proficiency Testing Scheme b) DWQ Data credibility on the BDS (Blue Drop Certified Data)
	<b>(1.5)</b> <b>INCIDENT MANAGEMENT (10%)</b>	a) <b>Protocol to specify:</b> 1) Alert levels 2) Response times 3) Required actions 4) Roles & responsibilities 5) Communication vehicles/methods and 6) Must include response on possible risks identified by the Risk Assessment of the Water Safety Planning process b) <b>Incident Register to include:</b> 7) Date, location and description of incident 8) Action taken and date of resolution 9) Outcome of cause investigation
	<b>BONUS (1):</b> <b>Sampler's Training</b>	To be eligible for this bonus, WSI's must provide proof of training of samplers or Sampling Quality Control measures (Name the Sampling Training Course, Duration, Service Provider, and detail of Attendees)



		1) Evidence of relevant sampling training that will ensure credibility of the sampling process; or 2) Evidence of control measures to ensure sampling credibility
	<b>BONUS (2): Incident Management Protocol Communication</b>	Communication on the Incident Management Protocol process with all relevant staff within the Municipality
<b>(2) DWQ PROCESS MANAGEMENT &amp; CONTROL 8%</b>	<b>(2.1) WORKS CLASSIFICATION COMPLIANCE (15%)</b>	Treatment works classified according the requirements of Regulation 2834- <u>ONLY</u> the classification as it appears on BDS will be used. Supporting evidence to allow the correct classification to be loaded on BDS, Water Services Institutions remains accountable for correctness of information / classification Certificate to be displayed at treatment works ( <i>confirmed during on-site assessments</i> )
	<b>(2.2) PROCESS CONTROL REGISTRATION COMPLIANCE (50%)</b>	a) Process Control Staff must be Registered according to Regulation 2834 with the Department of Water Affairs. Water Services Institutions to prove per treatment works that Process Control Staff complies with the legislative requirements of: i) Number of Process Controllers' ii) Complying with the required Classification levels b) The Supervisor must comply with legislative requirements Information as it appears on BDS will be used <u>ONLY</u> WSI's to ensure correct classification of all staff per treatment plant
	<b>(2.3) WATER TREATMENT WORKS' LOGBOOK (35%)</b>	a) A logbook is in place to record all incidents and observations at the water treatment works b) Evidence is presented that the logbook process is (i.e. communication medium between process controllers and shifts) being implemented (It is NOT required to be implemented for the entire assessment period)
	<b>BONUS (1): Process Control Training</b>	Proof of Process Control staff being subjected to relevant training the past 12 months to allow Process controllers to meet the education requirements towards higher level of the Regulation 813 Registration (Year 2019)
	<b>BONUS (2): Process Control Excellence</b>	a) Process control staff classified according the requirements of draft Regulation 813 on the Blue Drop System b) Process Control Staff and Supervisor compliance confirmed against draft Regulation 813 (must comply at least 75% in each of the shifts). WSI must indicate shift patterns and Supervisor on BDS. WSI to explain measures in place when a shift does not comply with regulatory process control requirements. c) WSI must indicate process controllers and/or supervisors that are trained across different plants/sites
<b>Water Quality Data Period – 1 January 2013 – 31 December 2013</b>		
<b>(3) DRINKING WATER QUALITY VERIFICATION 30%</b>	<b>(3.1.1) MICROBIOLOGICAL DWQ COMPLIANCE (50%)</b>	The Microbiological Quality of the water supply must comply with the South African National Standard (specifically, the 2014 Blue Drop Limits which have been derived from SANS241: 2006 and 2011) as per the Excellent Requirements set by the Blue Drop Programme ( <i>E. coli</i> ) - Excellent Compliance (97% for <100 000 population) & (99% for >100 000 population)
	<b>(3.1.2) CHEMICAL DWQ COMPLIANCE (45%)</b>	The Chemical Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all chemical health determinands listed in the South African National Standard (the 2014 Blue Drop Limits, derived from SANS241: 2006 and 2011) Chemical – Health (Acute and Chronic): - Excellent Compliance (95% for <100 000 population) & (97% for >100 000 population) - Good Compliance (93% for <100 000 population) & (95% for >100 000 population)
	<b>(3.1.3) OPERATIONAL</b>	The compliance of operational determinands must comply with the 2014 Blue Drop Excellent Limits set by the Blue Drop Programme



	<b>COMPLIANCE (5%)</b>	<p>- Excellent Compliance (93% for &lt;100 000 population &amp; 95% for &gt;100 000 population)</p> <p>- Good Compliance (90% for &lt;100 000 population &amp; 93% for &gt;100 000 population)</p>
	<b>BONUS (1): Aesthetic DWQ Compliance</b>	<p>The Aesthetic Quality of the water supply must comply with the Excellent Requirements set by the Blue Drop Programme for all aesthetic determinands listed in the 2014 Blue Drop Limits</p> <p>- Excellent Compliance (93% for &lt;100 000 population &amp; 95% for &gt;100 000 population)</p> <p>- Good Compliance (90% for &lt;100 000 population &amp; 93% for &gt;100 000 population)</p>
	<b>PENALTY (1): Data Difference</b>	Should there be a difference between data available on BDS and that which is presented in hardcopy for verification the penalty will apply
	<b>PENALTY (2): &lt;11 Months' Data</b>	Less than 11 months data available to assess Microbiological and Chemical compliance
	<b>PENALTY (3): Notification of Failure</b>	If there is any significant (sustained) failure with no evidence of a Water Quality Alert Notice (Boil Water Notice) being issued, this penalty will apply. NB! This may have an implication on qualification for certification
<b>(4) MANAGEMENT, ACCOUNTABILITY, &amp; LOCAL REGULATION 10%</b>	<b>(4.1) MANAGEMENT COMMITMENT (30%)</b>	<p>Management's commitment to effective Drinking Water Quality Operations &amp; Management should be portrayed by Proof of signature approval of the:</p> <p>a) Water Safety Plan</p> <p>b) DWQ Monitoring Programme</p> <p>c) Water Treatment Plant Logbook</p> <p>d) Operations and Maintenance Budget</p> <p>e) Water Services Development Plan</p>
	<b>(4.2) PUBLICATION OF PERFORMANCE (25%)</b>	<p>Evidence should be provided on the various means of drinking water quality information made public to the constituencies supplied with drinking water from this specific water supply system</p> <p>Forms of Publication:</p> <p>&gt;Newspaper publication</p> <p>&gt;Municipal Billing</p> <p>&gt;Community Radio</p> <p>&gt;Annual Report</p> <p>&gt;Posters &amp; Pamphlets</p> <p>&gt;Population and Promotion of "My Water"</p> <p>&gt;Electronic Webpage</p> <p>Water Services Institutions must provide evidence of adequate marketing of Existing Blue Drop Certified water supply systems</p>
	<b>(4.3) SERVICE LEVEL AGREEMENT/ PERFORMANCE AGREEMENT (15%)</b>	<p>Should there be an institutional arrangement between the Water Services Authority and the Water Services Provider, then it is essential that the legislatively required contract (Section 19 of the Water Services Act) stipulate the Service Level Agreements between the two entities. A copy of this document is required,</p> <p><b>OR</b></p> <p>Should the Water Services Authority fulfil the function of Water Services Provider as per Section 78 arrangements, then it is required that the responsible manager (official) have a Performance Agreement (Workplan) in place which stipulates Drinking Water Quality Management Responsibilities</p>
	<b>(4.4) SUBMISSION OF DWQ DATA (30%)</b>	<p>a) 12 months of data had been submitted on the Blue Drop System (BDS) (DWA will only consider data available on the BDS)</p> <p>b) All compliance monitoring test results are required to be submitted</p> <p>c) As per a requirement of the Water Services Act, compliance data submission occurred monthly (Section 62 of the Water Services Act, Section 9 Regulations) (measured as BDS submission compliance)</p>
	<b>BONUS (1): Publication of Performance</b>	Availing information on Drinking Water to relevant public in 3 or more forms listed
	<b>BONUS (2):</b>	Workplans of Process Controllers aligned to Operations and

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GEORGETOWN MUNICIPAL



	<b>Performance Agreement</b>	MAINTENANCE MANUAL
	<b>BONUS (3): Procurement processes</b>	Proof that systems are in place to not run short of chemicals & consumables required for treatment
	<b>PENALTY: Submission of DWQ Data</b>	Penalty will apply should the Department find proof during / post assessment that the WSI are guilty of an offence as per section 82 of the Water Services Act, by only submitting partial information in order to present a false impression of DWQ Performance and/or compliance
<b>(5) ASSET MANAGEMENT 14%</b>	<b>(5.1) ANNUAL PROCESS AUDIT (20%)</b>	Process Audit Report on technical inspection/assessment of treatment facility and evidence of implementation of findings This process assessment should've been done within the 12-month assessment period
	<b>(5.2) ASSET REGISTER (15%)</b>	The Institution must present a complete Asset Register. The asset register must: a) Detail relevant equipment and infrastructure b) Indicate asset description c) Location d) Condition (remaining life) e) Replacement value
	<b>(5.3) AVAILABILITY &amp; COMPETENCE of MAINTENANCE TEAM (15%)</b>	a) The Institution must present evidence of a competent Maintenance Team (in form of Organogram; Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence (for Mechanical, Electrical, Instrumentation and Civil work) b) Additional prove required on team competency (e.g. Qualification & Experience & Trade-test)
	<b>(5.4) OPERATIONS &amp; MAINTENANCE MANUAL (15%)</b>	O&M manual to contain: a) Civil, mechanical, electrical detail / drawings of plant b) Design capacity of plant c) Operational schedules, maintenance schedules d) Process detail and control e) Mechanical and electrical equipment specification f) Fault finding g) Monitoring
	<b>(5.5) OPERATIONS &amp; MAINTENANCE BUDGET and EXPENDITURE (20%)</b>	The Institution must present credible evidence of: a) Maintenance Budget (as part of Operations Budget) b) Maintenance Expenditure (as part of the Operations Expenditure) c) Maintenance Expenditure should be more than 5% of the Operations Expenditure in Total for the preceding Financial Year <u>Financial expenditure to apply as per Municipal Budget Year: Jul 2012 to Jun 2013</u>
	<b>(5.6) DESIGN CAPACITY vs. OPERATIONAL CAPACITY (15%)</b>	Proof to be submitted of the documented design capacity and documented daily operating capacity over the past 12 months Groundwater dependant systems must have an acceptable plan which stipulates abstraction patterns that will prevent aquifer damage Flow meters must be calibrated at least annually
	<b>Blue Drop Requirements= TOTAL 97%</b>	









## 2014 NO DROP REQUIREMENTS (Water use efficiency)

<b>(6)</b> <b>WATER USE</b> <b>EFFICIENCY &amp;</b> <b>WATER LOSS</b> <b>MANAGE-</b> <b>MENT</b> <b>3%</b>	<b>(6.1)</b> <b>WATER BALANCE</b> <b>(30%)</b>	<p>Provide MONTHLY and ANNUAL composite IWA water balance diagrams and supporting documents for the complete system as part of the water audit (as a component in the WSDP) as per Regulation 509 of 2001 Clause 10 of the Water Supply Regulations. Balance diagram to specify as a minimum the main components of the IWA balance including Water Losses broken down into:</p> <ul style="list-style-type: none"> <li>a) System input volumes</li> <li>b) Billed metered and unmetered usage</li> <li>c) Unbilled Authorised Consumption</li> <li>d) Water losses broken down into Real and Apparent Losses</li> <li>e) Free Basic Water, and</li> <li>f) Non Revenue Water</li> </ul> <p>and to be supported by a schematic showing bulk meters, zones and main infrastructure components</p> <p><i>Note: WSI's to ensure that units are clearly indicated against numeric values in water balance (e.g. 100 kl/annum, 50 m<sup>3</sup>/day, etc)</i></p>																				
	<b>(6.2)</b> <b>WDM STRATEGY</b> <b>and BUSINESS</b> <b>PLAN and</b> <b>IMPLEMENTATION</b> <b>(30%)</b>	<ul style="list-style-type: none"> <li>a) Evidence must be provided of a Council approved WDM strategy and business plan consisting of at least the following: <ul style="list-style-type: none"> <li>- Background and Context</li> <li>- Situation Assessment including a Needs Statement</li> <li>- Key Issues and Challenges</li> <li>- Focus Areas of Intervention</li> <li>- List of Proposed Interventions</li> <li>- Set targets for demand, NRW, commercial and real losses</li> <li>- Budget and Multi-year Implementation Timeline</li> </ul> </li> <li>b) Provide evidence of implementation against the above Plan in terms of: <ul style="list-style-type: none"> <li>- List of Interventions (Projects)</li> <li>- Movement against targets for demand, NRW, commercial and real losses</li> <li>- Budget and Multi-year Implementation Timeline</li> </ul> </li> </ul> <p><i>(Reg 509 of 2001 Clause 10)</i></p>																				
	<b>(6.3)</b> <b>COMPLIANCE and</b> <b>PERFORMANCE</b> <b>(40%)</b>	<ul style="list-style-type: none"> <li>a) Provide historic data in order to calculate the following: <ul style="list-style-type: none"> <li>- Physical (real) water loss trend</li> <li>- Commercial water loss trend</li> <li>- Water use efficiency trend</li> </ul> </li> <li>b) Provide the following data (grey cells only) with supporting documentation, in order to calculate the WSI baseline profile for: <ul style="list-style-type: none"> <li>- Physical (real) water loss status</li> <li>- Commercial water loss status</li> <li>- Water use efficiency status</li> </ul> </li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Population number served:</th><th style="text-align: center;">SIY (System Input Volume) (kl/annum):</th><th style="text-align: center;">Average system pressure (m):</th></tr> </thead> <tbody> <tr> <td style="text-align: center;">Households served:</td><td style="text-align: center;">Authorised, Billed and Metered (kl/annum):</td><td style="text-align: center;">Usage (l/cap/day):</td></tr> <tr> <td style="text-align: center;">Total connections:</td><td style="text-align: center;">Authorised, Billed and Unmetered (kl/annum):</td><td style="text-align: center;">Non-revenue (l/cap/day):</td></tr> <tr> <td style="text-align: center;">Metered connections:</td><td style="text-align: center;">Authorised and Unbilled (kl/annum):</td><td style="text-align: center;">Real losses (l/cap/day):</td></tr> <tr> <td style="text-align: center;">Unmetered connections:</td><td style="text-align: center;">Authorised Consumption (kl/annum):</td><td style="text-align: center;">% Metered and Unmetered</td></tr> <tr> <td style="text-align: center;">Households with deemed of flat rate billing:</td><td style="text-align: center;">Revenue water (kl/annum):</td><td style="text-align: center;">Efficiency =</td></tr> <tr> <td style="text-align: center;">Number of metered:</td><td style="text-align: center;">Non-revenue water</td><td></td></tr> </tbody> </table>	Population number served:	SIY (System Input Volume) (kl/annum):	Average system pressure (m):	Households served:	Authorised, Billed and Metered (kl/annum):	Usage (l/cap/day):	Total connections:	Authorised, Billed and Unmetered (kl/annum):	Non-revenue (l/cap/day):	Metered connections:	Authorised and Unbilled (kl/annum):	Real losses (l/cap/day):	Unmetered connections:	Authorised Consumption (kl/annum):	% Metered and Unmetered	Households with deemed of flat rate billing:	Revenue water (kl/annum):	Efficiency =	Number of metered:	Non-revenue water
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Number of metered:	Non-revenue water																					



		connections billed:	(kl/annum):		
		Proven Industrial use (kl/annum):	Water losses (kl/annum):		
		Length of mains installed :	Apparent or Commercial losses (kl/annum):		Water loss =
		Assumed commercial losses:	Real or Physical water losses (kl/annum):		
	<b>PENALTY: Inclusion in the IDP</b>	Components listed under Criteria 1.2 were not included in the IDP			
	<b>BONUS (1): Training in WDM</b>	<p>a) The Institution must present evidence of a competent Water Loss Management Team (in form of an Organogram) with &lt;20% vacancy ratio in accordance with Clause 66 (Staff matters) of the Municipal Systems Act 32 of 2000</p> <p>b) Proof required on team manager competency (Qualification &amp; Experience) with the following additional requirement: Manager to have suitable tertiary qualification with suitable experience</p> <p>c) The Institution must present evidence of a competent structured Maintenance Team (in form of Organogram with well-defined positions and job descriptions, Contract or Invoice). Logbook with maintenance entries will serve as adequate evidence</p> <p>d) Additional proof required on team competency for the team presented under (c) above (e.g. Qualification &amp; Experience &amp; Trade test)</p> <p>e) Indicate number of suitably qualified plumbers per 1000 connections</p>			
<b>No Drop Requirements= TOTAL 3%</b>					

## Quality of Drinking Water

Quality of Drinking Water	
Colour Drop	Indication of Drop
	<b>Blue Drop Certified, water is safe to drink</b>
	Micro > 97% Chemical > 95%
	Micro > 97% Chemical < 95% (or no Information)
	Micro < 97% Chemical > 95%
	Micro > 90% < 95% Chemical > 90% < 95%
	Micro < 90% Chemical < 90%



Water Services Authority	Overstrand Local Municipality
Water Services Provider(s)	Overstrand LM, Overstrand LM

2014 Municipal Blue Drop Score	90.79%
2012 Municipal Blue Drop Score	96.82%
2011 Municipal Blue Drop Score	90.56%

Performance Area	Baardskeerdersbos	Buffeljags Bay	Buffels River	Greater Gansbaai
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	29.75	23.54	33.43	31.50
Treatment Process Management (8%)	4.28	5.60	4.00	6.80
DWQ Compliance (30%)	0.00	15.75	23.25	23.25
Management Accountability (10%)	8.95	8.20	9.25	9.25
Asset Management (14%)	8.72	9.24	11.03	10.50
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	9.17	6.50	3.25	4.00
Penalties	0.00	0.00	0.00	0.00
2014 BLUE DROP Score	63.87%	71.83%	87.20%	88.30%
2012 Blue Drop Score	91.6%	93.8%	95.0%	97.1%
2011 Blue Drop Score	93.7%	75.4%	95.1%	95.1%
System Design Capacity (Ml/d)	0.15	0.1	5.5	7.1
Operational Capacity (% Ito Design)	100%	105%	44%	100%
Average daily Consumption (l/p/d)	655.0	310.3	803.4	445.9
Microbiological Compliance (%)	90.0%	95.5%	99.9%	99.9%
Chemical Compliance (%)	92.0%	99.9%	96.4%	96.1%
Blue Drop Risk Rating (2012)	75.5%	52.7%	72.1%	76.7%
Blue Drop Risk Rating (2013)	20.6%	12.2%	12.5%	12.7%
Blue Drop Risk Rating (2014)	47.2%	60.1%	57.3%	57.6%

Performance Area	Greater Hermanus	Kleinmond	Pearly Beach	Stanford
Water Services Provider(s)	Overstrand LM	Overstrand LM	Overstrand LM	Overstrand LM
Water Safety Planning (35%)	33.43	31.15	24.59	29.75
Treatment Process Management (8%)	8.00	6.40	6.80	4.70
DWQ Compliance (30%)	29.60	23.25	29.60	30.00
Management Accountability (10%)	9.25	9.25	9.25	9.25
Asset Management (14%)	11.90	10.29	10.29	11.38
Use Efficiency, Loss Management (3%)	3.00	3.00	3.00	3.00
Bonus Scores	1.27	3.25	3.83	2.86
Penalties	0.00	0.00	0.00	0.00
2014 BLUE DROP Score	96.44%	86.59%	87.35%	90.94%
2012 Blue Drop Score	97.9%	95.0%	95.2%	92.7%
2011 Blue Drop Score	87.2%	93.1%	94.3%	95.2%
System Design Capacity (Ml/d)	28.0	5.8	1.4	1.5
Operational Capacity (% Ito Design)	29%	39%	100%	57%
Average daily Consumption (l/p/d)	192.4	230.1	1605.4	159.9
Microbiological Compliance (%)	98.9%	99.9%	99.9%	99.9%
Chemical Compliance (%)	96.4%	96.4%	99.9%	96.4%
Blue Drop Risk Rating (2012)	78.1%	72.1%	83.5%	64.9%
Blue Drop Risk Rating (2013)	13.5%	12.5%	12.7%	15.6%
Blue Drop Risk Rating (2014)	17.2%	57.3%	56.1%	27.1%



## Regulatory Impression

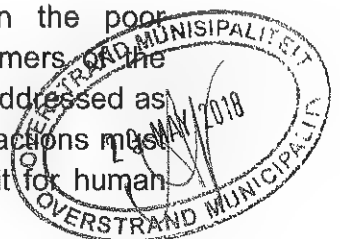
The Overstrand Local Municipality team was well prepared and demonstrated their commitment to the Blue Drop assessment and water quality excellence. The Municipality is to be congratulated for obtaining Blue Drop status for the Greater Hermanus system. A decreased municipal score was however achieved during this assessment. The reason for the observed decrease in compliance includes:

- ◆ Full compliance with the requirements of SANS 241 with regard to monitoring and analysis could not be demonstrated. No chemical determinants have been analysed in the reticulation network to monitor the chemical quality of water provided to the consumer and identify any potential health impacts. In addition, the frequency of analysis does not comply with the requirements for the final water produced at treatment facilities receiving surface water or within the reticulation network. The Municipality however confirmed that subsequent to the assessment that a service provider has been appointed to implement a risk based monitoring programme that fully complies with the requirements of SANS 241, sampler training and uploading of analytical data to the BDS.
- ◆ Detailed annual process audits could not be demonstrated that assessed the performance of the treatment systems and each process unit with the design capacity of the plant. Recommendations should be incorporated into the review process of water safety plan.
- ◆ Poor microbiological compliance was observed in the Baardskeerdersbos system. This should be mitigated when the new plant to treat borehole water is commissioned in August 2014.

Significant progress has been made by the municipality with regard to WC/WDM and projects have been ongoing for the last three years. Good baseline information and a formal strategy are available that enables the municipality to make informed decisions regarding ongoing planning to minimise non-revenue water.

It is anticipated that the identified gaps will be addressed by the Overstrand Local Municipality and that an upward trend towards Blue Drop compliance will once again be achieved in the next assessment.

Based on the Audit results, the DWS has serious concerns on the poor microbiological drinking water quality and the resultant risk to consumers in the Baardskeerdersbos water supply system. These concerns have to be addressed as a matter of urgency and drinking water quality results and appropriate actions must be communicated to consumers should the water be found to be unfit for human consumption.



The overall **2014 Risk Rating** for Overstrand LM is 41% which translates into the 10<sup>th</sup> best performance in the Western Cape. Note that this value is based on the 3 specific areas indicated below and shows concerns (medium to critical risks) for



Process Control (which risks reflect compliance in terms of draft Regulation 813) in 6 of the 8 systems; Drinking Water Quality in 2 out of the 8 systems; and Risk Management in none of 8 systems.

Baardskeedersbos			
Water Supply System	2012	2013	2014
A: Process Control RR	77.8%	22.2%	55.6%
B: Drinking Water Quality RR	11.1%	55.6%	70.4%
C: Risk Management RR	13.0%	13.0%	17.4%

Buffeljags Bay			
Water Supply System	2012	2013	2014
A: Process Control RR	76.5%	17.6%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	55.6%
C: Risk Management RR	13.0%	13.0%	26.1%

Buffels River			
Water Supply System	2012	2013	2014
A: Process Control RR	79.5%	26.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Greater Gansbaai			
Water Supply System	2012	2013	2014
A: Process Control RR	79.5%	34.6%	74.4%
B: Drinking Water Quality RR	40.7%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	26.1%

Greater Hermanus			
Water Supply System	2012	2013	2014
A: Process Control RR	80.5%	31.7%	34.1%
B: Drinking Water Quality RR	11.1%	14.8%	25.9%
C: Risk Management RR	13.0%	17.4%	17.4%

Kleinmond			
Water Supply System	2012	2013	2014
A: Process Control RR	79.5%	26.2%	64.1%
B: Drinking Water Quality RR	11.1%	11.1%	40.7%
C: Risk Management RR	13.0%	13.0%	13.0%

Pearly Beach			
Water Supply System	2012	2013	2014
A: Process Control RR	76.9%	26.3%	71.1%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	26.1%

Stanford			
Water Supply System	2012	2013	2014
A: Process Control RR	53.8%	29.7%	40.5%
B: Drinking Water Quality RR	11.1%	11.1%	11.1%
C: Risk Management RR	13.0%	13.0%	13.0%



## Site Inspection Scores

The **Preekstoel and Buffels River Base WTWs** were inspected to verify the Overstrand Local Municipality Blue Drop findings.

**Preekstoel WTW:** 88%  
**Buffels River WTW:** 90%

The site inspection impression at the **Preekstoel WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

- ◆ A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- ◆ Records of the results of the jar tests that are routinely undertaken could not be provided.
- ◆ Emergency shower and eye wash facilities were not located at the chemical dosing room.
- ◆ Manual post dosing of lime was being undertaken at the time of the assessment due to equipment failure. This was to be repaired as part of the maintenance contract with an external service provider. Standby equipment was not installed.
- ◆ Standby chlorine dosing equipment is not installed.



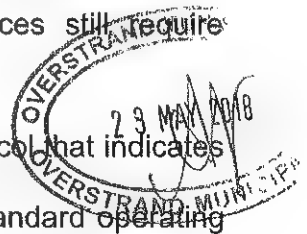
Flocculent dosing at point of high turbulence tanks



Bunded area for chemical storage tanks

The site inspection impression at the **Buffels River WTW** was considered to be good. A number of drinking water quality management practices still require attention, including:

- ◆ A flow chart was displayed of the incident management protocol that indicates roles and responsibilities but alert levels were not included.
- ◆ The original O&M manual for the WTW is not available. Standard operating procedures have been compiled.
- ◆ Records of jar tests undertaken by the service provider could not be provided.
- ◆ Chemical tanks are not contained within a bunded area.
- ◆ Standby chlorine dosing equipment is not installed.
- ◆ Standby air compressor is not installed.





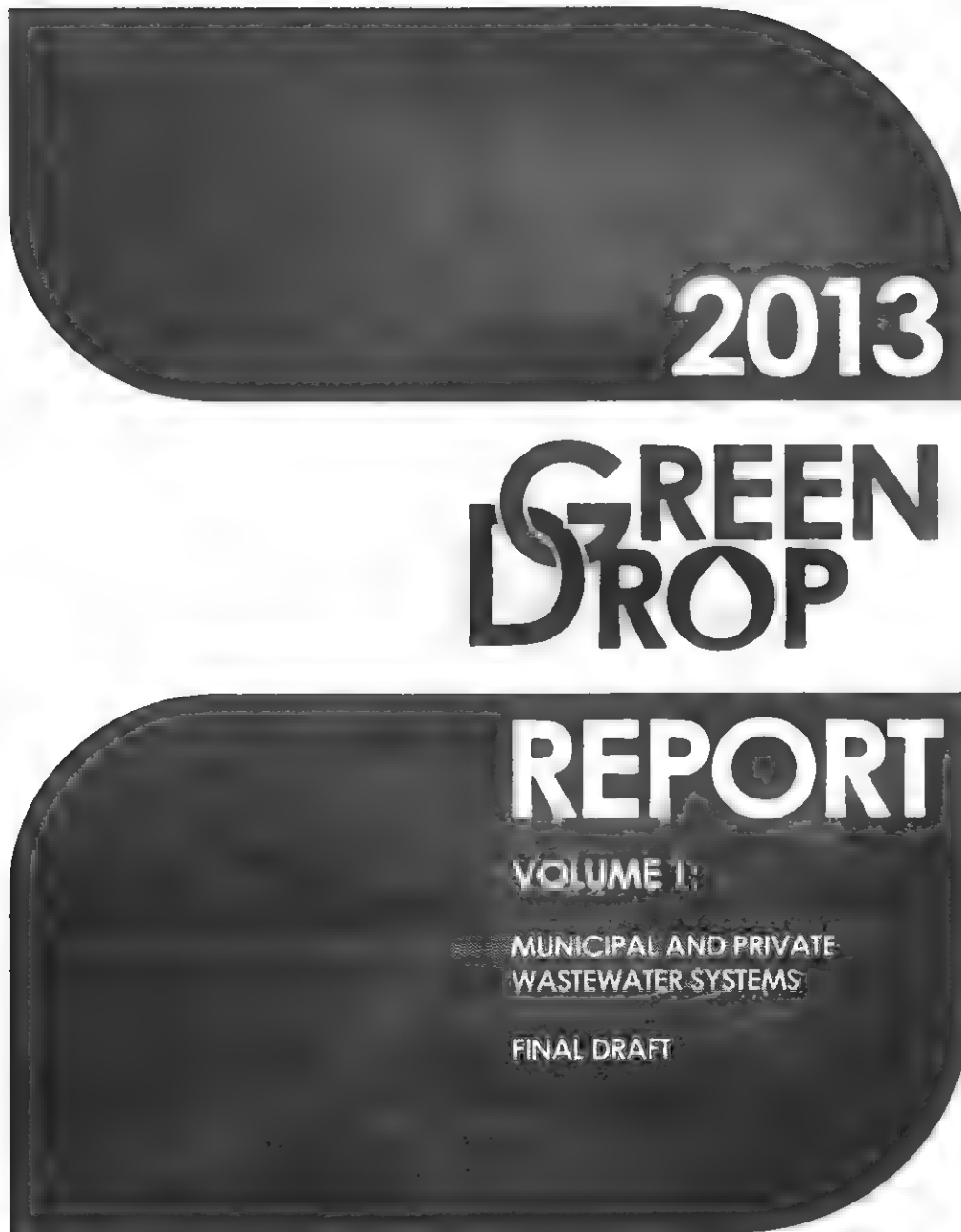
Gravity flow dosing system of flocculent



Chemical tanks not bunded







**water affairs**

Department:  
Water Affairs  
REPUBLIC OF SOUTH AFRICA



**green drop**  
CERTIFICATION  
waste water service  
REGULATION

Together committed to excellent Water Quality for the future



**ACRONYMS**

<b>ACRONYMS</b>	<b>DESCRIPTION</b>
ADWF	Average Dry Weather Flow
CFO	Chief Financial Officer
COD	Chemical Oxygen Demand
CRR	Cumulative Risk Rating
DPW	Department of Public Works
DWA	Department of Water Affairs
GA	General Authorisation
GDC	Green Drop Certification
GDS	Green Drop System ( <a href="http://www.dwa.gov.za/greendrop">www.dwa.gov.za/greendrop</a> )
GWSA	Green Water Services Audit
IMP	Incident Management Protocol
KPA / KPI	Key Performance Area / Indicator
LM	Local Municipality
NA	[Not assessed]
NI	[No information]
O&M	Operation and Maintenance
RPMS	Service Level Agreement
SLA	Regulatory Performance Measurement System
SS	Suspended Solids
W <sub>2</sub> RAP	Wastewater Risk Abatement Plan
WIN-SA	Water Information Network of South Africa
WRC	Water Research Commission
WSA	Water Services Authority
WSP	Water Services Provider
WSI	Water Services Institutions
WWTP/W	Wastewater Treatment Plant / Works
<b>PROVINCES</b>	
EC	Eastern Cape Province
FS	Free State Province
GP	Gauteng Province
LP	Limpopo Province
MP	Mpumalanga Province
NW	North West Province
NC	Northern Cape Province
KZN	Kwa-Zulu Natal Province
WC	Western Cape Province



## How to Read the Report Card

The following is an example of a typical municipal report card that appears in the Green Drop Report 2013. Results are provided in colour coded format – each colour has a specific meaning and performance reference.

Water Services Authority		ABC Local Municipality	
Water Services Provider(s)		ABC WSP	
<b>2013 Municipal Green Drop Score</b>		<b>81.63%</b>	
2011 Municipal Green Drop Score		63.80%	
2009 Municipal Green Drop Score		75.00%	

The Municipal Green Drop score is a Performance Indicator of the overall municipal wastewater business (function of the available design capacity and the individual Green Drop scores).  
Arrows: Depict the current Green Drop status of the plant. A ↑ arrow shows improvement upon the 2009 situation, ↓ shows digress, → shows unchanged situation

Key Performance Area	Weight	System X
Process Control & Maintenance Skills	10%	67
Monitoring Programme	15%	95
Submission of Results	5%	100
Effluent Quality Compliance	30%	16
Risk Management	15%	90
Local Regulation	5%	100
Treatment Capacity	5%	100
Asset Management	15%	94
Bonus Scores		8.48
Penalties		1.90
<b>Green Drop Score (2013)</b>		<b>74.88%</b>
2011 Green Drop Score		61.11%
2009 Green Drop Score		66.00%
System Design Capacity	MI/d	2.3
Capacity Utilisation (% ADWF to Design Capacity)		112.0%
Resource Discharged into		Pienaars River (sensitive, special standard apply)
Microbiological Compliance	%	12.95%
Chemical Compliance	%	24.35%
Physical Compliance	%	20.69%
Overall Compliance	%	20.90%
<b>Wastewater Risk Rating (2012)</b>		<b>76.50%</b>
<b>Wastewater Risk Rating (2013)</b>		<b>76.47%</b>

Colour codes	Appropriate action by Institution
90-100%	Excellent situation, need to maintain via continued improvement
80-<90%	Good status, improve where gaps identified to shift to 'excellent'
50-<80%	Fair performance, ample room for improvement
31-<50%	Very poor performance, need targeted intervention towards gradual sustainable improvement
0-<31%	Critical state, need urgent intervention for all aspects of the wastewater services business

≥90% = Green Drop Certification  
<30% = Purple Drop Status

Plant is receiving 12% more wastewater compared to its original design capacity (ADWF)

Effluent quality compliance to legislative standards carries a high (30%) weight in the GDC score

The CRR% Deviation (CRR/ CRRmax) score is specific to the wastewater "treatment" function of the service. This score indicates the actual risk as a % of the maximum risk that the plant potentially can reach. An orange and red block indicate that the plant is in high- or critical risk that warrants urgent attention. A higher value reflects a high risk state (undesirable). A lower value reflects a lower risk state.

Note: volumetric capacity refers to Average Dry Weather Flow

CRR% Deviation	90 – 100% Critical risk WWTP	
	70 - <90% High Risk WWTP	
	50-<70% Medium risk WWTP	
	<50% Low Risk WWTP	

OVERSTRAND MUN  
23 MAY 2018  
OVERSTRAND MUN CIP

# 1. GREEN DROPSCORECARD 2012/13

*The Stockdale paradox:  
Confront the brutal truth of the situation, yet at the  
same time, never give up hope.*

Green Water Services Audits are conducted by a panel consisting of a qualified wastewater professional as Lead Assessor, supported by 2 Assessors. The team selection is done based on the outcomes of a Green Drop Examination which tests the assessor's knowledge and competence in the subject field.

The following scorecard outlines the key requirements of the Green Drop assessment and indicates the Portfolio of Evidence that was required by each Water Services Institution to calculate a Green Drop score per wastewater system.

**Green Water Services Audit Period : 1 July 2011 – 30 June 2012**

Green Drop Key Performance Area	Requirements	Sub-Requirements
<b>(1) Process Control and Maintenance</b>  <b>[10%]</b>	<b>(1.1) WORKS REGISTRATION</b>	a) The wastewater treatment facility is registered as per the Requirements of Regulation 2834/17.
	<b>(1.2) PROCESS CONTROLLER &amp; SUPERVISOR REGISTRATION</b>	a) Copies of Registration Certificates of Process Controllers and Supervisor(s) b) Copies of the classification certificates of all process controllers/operators and supervisors/superintendents must be uploaded on the GDS; c) Compliance with Regulation 2834 (must comply at least 50% in each of the shifts); WSI must indicate shift patterns or measures in place when a shift does not comply with Regulatory Process Control Requirements. d) WSI must indicate process controllers and/or supervisors that are 'shared' across different plants/sites.
	<b>1.3) MAINTENANCE TEAM</b>	a) Evidence of Maintenance Team used for general maintenance work at the plant & pump-stations(both mechanical and electrical) b) Information on In-house staff (or organogram) or external contractor/s c) Provide additional proof of competency of team (e.g. Qualification & Experience & Trade-test) d) Provide a site specific operation and maintenance schedule (routine / scheduled) e) Contract or Logbook with maintenance entries to serve as evidence of the above aspects
	<b>1.4) OPERATIONS &amp; MAINTENANCE MANUAL</b>	a) Proof of a 'site-specific' Operation & Maintenance Manual O&M manual to contain: 1. structural, 2. mechanical, 3. electrical detail of plant, 4. design specifications of plant, 5. reference to drawings, 6. operational schedules, 7. maintenance schedules, 8. process detail and control, 9. instrumentation specification/type, 10. fault finding, 11. monitoring, 12. pump curves, 13. supportive appendices
	<b>(1.5) OPERATIONAL LOGBOOK</b>	a) A logbook is in place to record all incidents at the wastewater treatment works. b) Evidence is presented that the logbook process is being implemented.



<b>BONUS</b>		<b>BONUS:</b> Proof of Process Controller staff being subjected to relevant training the past 24 months
<b>(Process Control)</b>		1. Names of trainees and signature of attendance / Certificate 2. Date and training subject field 3. Training provider and content of training
<b>(2)</b>  <b>Wastewater Monitoring Programme</b>  <b>[15%]</b>	<b>(2.1)</b>  <b>OPERATIONAL MONITORING</b>	<p>Details of Operational Monitoring:</p> <p><b>a)</b> Proof of Operational Monitoring sites, determinands and frequency;</p> <p><b>b)</b> Samples must include:</p> <ul style="list-style-type: none"> <li>i) <i>inflow</i></li> <li>ii) <i>outflow</i></li> <li>iii) <i>process flows</i></li> <li>iv) <i>industrial</i></li> <li>v) <i>sludge</i></li> </ul> <p><b>c)</b> Determinands monitored;</p> <p><b>d)</b> as per Authorisation / as per best practice per technology type;</p> <p><b>e)</b> Frequency: as per Authorisation /as per best practice (1/month for micro &amp; small plants, 1/week for medium plants, and 1/day for large &amp; macro plants)</p> <p>Details of Compliance Monitoring (For ALL Effluent Discharges).</p> <p><b>a)</b> Sampling Sites as per Authorisation;</p> <p><b>b)</b> Determinands as per Authorisation (This would include determinands not categorised as Microbiological, Chemical or Physical, e.g. SAR) ;</p> <p><b>c)</b> Sampling frequency occurs as Authorisation Requirements</p> <p>Note 1: For zero-effluent treatment systems - still need to monitor for impact on catchment / environment (for both lined and unlined systems). Where oxidation ponds are producing effluent for irrigational purposes then General Limits apply.</p> <p>Note 2: A monitoring programme alone will not be sufficient to obtain full score; Analyses results should proof implementation of the monitoring programme.</p>
	<b>(2.2)</b>  <b>COMPLIANCE MONITORING</b>	
	<b>(2.3)</b>  <b>LABORATORY USED</b>	<p><b>a)</b> Name lab(s) for operational analysis (in-house or on-site) and lab for compliance analysis/checks (In-house or external)</p> <p><b>b)</b> Provide the turnaround in laboratory analysis (in hours: from time of submission to time of results dissemination)</p>
	<b>(2.3)</b>  <b>LABORATORY CREDIBILITY</b>	<p><b>a)</b> Certificate of Accreditation for applicable methods,</p> <p><b>b)</b> Or Z-scores results following participation a recognised Proficiency Testing Scheme (<math>-2 \leq z\text{-score} \leq 2</math> are unacceptable)</p> <p><b>c)</b> Or Proof of Intra- and Inter-laboratory proficiency (quality assurance as prescribed in Standard Methods)</p>
	<b>(2.4)</b>  <b>PROCESS CONTROL / MONITORING RESULTS</b>	<p><b>a)</b> Explain how monitoring results are used to amend/improve process controlling</p> <p><i>[The assessor will select at random analytical parameter/s from the presented analytical results to present an audit question. This might be checked during on-site assessment.]</i></p>
<b>(3)</b>  <b>Submission of Wastewater Quality Results</b>  <b>[5%]</b>	<b>(3.1)</b>  <b>DATA SUBMISSION</b>	<p>1. 12 months of data submitted to DWA on the GDS</p> <p>2. WSA must ensure that 12 months' sets of results are submitted and recorded on the GDS prior to the assessment. Note: All compliance results' data required</p>
	<b>PENALTY (1):</b> Data Not Captured	Penalty will apply should Wastewater results be available but not submitted
	<b>PENALTY (2):</b> Section 82	Penalty will apply should the Department find proof during / post assessment that the WSA guilty of an offence as per Section 82 of the Water Services Act, by only submitting partial information (on GDS) in order to present a false impression of WWSO performance and/or compliance



<b>(4) Wastewater Effluent Quality Compliance</b>	<b>(4.1) WATER USE AUTHORISATION</b>	a) Copy of authorisation, detailing Effluent Quality Standards. <b>NOTE:</b> List Standards to comply with.
	<b>(4.2) EFFLUENT QUALITY COMPLIANCE</b>	<p>a) 90% <b>Microbiological Compliance</b> (e.g. E Coli; Faecal Coliforms)</p> <p>b) 90% <b>Chemical Compliance</b> (e.g. COD, Ammonia, Nitrogen, Nitrate, Nitrite, Residual Chlorine, Ortho-Phosphates, Fluoride, Arsenic, Cadmium, Copper, Manganese, Iron, Selenium, Zinc, Boron, etc.)</p> <p>c) 90% <b>Physical Compliance</b> (e.g. pH, Suspended Solids, Electrical Conductivity, Soap, Oil or Grease, etc)</p>
	<b>BONUS (GDIP)</b>	<p>a) A practical Green Drop Improvement Plan (GDIP) in place – with baseline (current) score, tasks, responsible person, completion date, budget, target GDC score;</p> <p>b) Implementation evidence and proof of management of process</p>
	<b>Sludge Management</b>	<p>a) Sludge treatment not managed / monitored. (Monitoring records must be produced);</p> <p>b) In case of ponds systems, provide schedule for desludging of system.</p>
<b>(5) Wastewater Quality Risk Management</b>	<b>(5.1) WASTEWATER RISK ABATEMENT PLAN (W<sub>2</sub>RAP)</b>	<p>a) A practical and site specific Wastewater Risk Abatement Plan (W<sub>2</sub>RAP) is in place which identify and prioritise risks, with measures to mitigate inefficiencies/inadequacies that result in non-compliance</p> <p>b) Implementation evidence and proof of management commitment</p>
	<b>(5.2) INCIDENT REGISTER</b>	<p>a) Provide evidence of implementation of Protocol</p> <p>b) Wastewater Quality Failure Incident and Sewer Spillage Incident register.</p>
	<b>(5.3) WASTEWATER INCIDENT MANAGEMENT PROTOCOL</b>	<p>a) Evidence of a documented Wastewater Incident Management Protocol</p> <p>b) Protocol to specify alert levels, response times, required actions, roles &amp; responsibilities and communication measures/vehicles.</p> <p>c) NB. Include Pumpstation failure (sewer collector system spillages)</p>
	<b>BONUS (Energy)</b>	<p>WSI is able to provide DWA with:</p> <p>a) Electricity consumption over last financial year (in KWh/day) and Rand value (R/year) of treatment plant;</p> <p>b) Energy demand projections over next &gt;3 years (in KWh/day) and in Rand value (R/year); and</p> <p>c) Calculate cost of energy (KWh/k) wastewater treated)</p>
<b>(6) Local Regulation</b>	<b>(6.1) BYLAWS</b>	<p>Proof of the Bylaws providing for the regulation of:</p> <ol style="list-style-type: none"> <li>1. industrial (trade) influent (volumes &amp; quality) discharged into municipal system,</li> <li>2. package plants,</li> <li>3. decentralized systems,</li> <li>4. vacuum tank discharges and</li> <li>5. spillages into the environment.</li> <li>6. Storm-water connections to sewer system.</li> </ol>
	<b>(6.2) ENFORCEMENT</b>	<p>1. Proof of application of Bylaw clause in practice, supported by written notice/s to offender</p> <p><b>OR</b></p> <p>2. Proof of adequate enforcement (informing relevant sectors and means of monitoring industrial or other sewer influent.)</p> <p>3. Records of Package Plants in area of jurisdiction (where development was approved by the Authority (Local Government)).</p>



		<b>PENALTY:</b> (Industrial Monitoring)	No evidence of any industrial influent monitoring. 1. There must be proof in form of results to indicate WSA is performing its local regulation function as per Wastewater Services.
		<b>BONUS</b> (Publication)	1. Annual Publication of wastewater management performance against the requirements of the site-specific License conditions or General Authorisations 2. Name and date of publication, copy of information pertaining to audit question. 3. Note: Communication must include compliance summary
(7)	Wastewater Treatment Capacity	(7.1)	<p>a) Documented design capacity (hydraulic and organic) of the wastewater treatment facility</p> <p>1. Design capacity as Average Dry Weather Flow (ADWF) and COD load to the plant and</p> <p>b) Documented daily receiving flows over the 12 months of assessed period (ideally <math>\leq</math> than design capacity)</p> <p>1. Evidence of daily flows and subsequent calculated averages. Measurement method to be explained</p> <p>2. Evidence of peak wet weather flow to plant during rain events (record rain event and flow to plant)</p> <p>3. Evidence of minimum night flow (minimum monitoring: monthly)</p> <p>4. Water services institution is required to provide motivation/proof of accuracy of meter readings.</p> <p>c) Monitoring of outflow volumes (available records) - provide proof of verification system and/or calibration of meters)</p>
		(7.2)	<p>Medium to long term planning to ensure sufficient capacity for treatment system and to ensure effluent quality compliance;</p> <p>1. Detailed Work-plan which stipulates:</p> <p>i) type of work, ii) associated budget, iii) projected timeframe iv) planned output of this work.</p>
		(7.3)	<p>Medium to long term planning to ensure sufficient capacity for collecting system. 1. Detailed Work-plan which stipulates:</p> <p>i) type of work, ii) associated budget iii) projected timeframe iv) the planned output of this work</p>
[5%]		WWTW CAPACITY PLANNING	
		COLLECTOR CAPACITY PLANNING	
			Note for 7.2 and 7.3: When the WSI is motivating that 'no work' is needed, then provide basis for such standpoint (i.e. quantified design versus operational capacity, usage of system, expected housing developments, condition of treatment system)
		<b>PENALTY:</b>	Capacity Utilisation <40%, >40%, >100%
(8)	Wastewater Asset Management	(8.1)	<p>a) Process Audit reporting (evidence required of audit findings and recommendations) on treatment facility efficacy. The audit to include the (design) capability of the plant to meet compliance standards, as well as actual performance of plant. Should be done between July 2010 and June 2012.</p> <p>b) Evidence/plan of implementation of findings during year following Audit Report required.</p>
		(8.2)	<p>c) Site inspection of sewer reticulation network and pump-stations. Provide evidence in form of capacity and condition assessment and recommendations of system. Report to include flow balance that provides evidence which % of total sewage is received at treatment plant.</p>
[15%]		SEWER MAIN INSPECTION	Note: both the process audit and sewer network report could serve as baseline to the W <sub>2</sub> RAP (may run concurrently with "system description and risk identification/rating)



- (8.3) **WASTEWATER ASSET REGISTER**
- d) Updated sanitation / wastewater Infrastructure Asset Register  
 1. Proof of Asset Register, evidence to be submitted. Asset register to include movable equipment and immovable infrastructure / assets with matching detail.  
 The asset register must detail :  
 a) relevant equipment and infrastructure  
 b) indicate asset description  
 c) location  
 d) condition (remaining life)  
 e) replacement value
- (8.4) **O&M BUDGET & EXPENDITURE**
- e) Operation and maintenance budget and comparative expenditure detail for:  
 1. wastewater treatment (in cents/m<sup>3</sup>), and  
 2. collection system (R/m<sup>3</sup>)  
 The assessor will require the WSI to explain how these figures compare or are benchmarked to determine whether budget is (in)sufficient

NOTE: Indicate whether WSI could only provide global figures or system specific figures.

(8.5)

**PUMPSTATION MAINTENANCE**

Proof of maintenance work done on mechanical, electrical, civil per pumpstation

**Additional Bonuses**

**(AB 1)  
CROSS-POLLINATION**

WSI is able to provide evidence of improvement partnership initiatives with smaller municipalities (Cross-pollination). Green Drop scores will serve as good evidence to measure the outcomes of such initiative/s.

**(AB 2)  
STORMWATER MANAGEMENT**

Proof of a Storm-water management plan detailing how storm-water entry is quantified, managed and monitored to prevent entry to sewer systems. Plan should also include measures to prevent sewage from entering stormwater systems. Evidence of implementation required

**(AB 3)  
WATER DEMAND MANAGEMENT**

Water Demand Management Plan which provides a strategy and/or work plan that identify, quantify, monitor and manage leakages and water losses of any kind that (may) create an artificial water demand due to higher hydraulic loading of wastewater collection and treatment infrastructure. The bonus will be maximised should a wastewater flow balance be provided.

**Green Drop Certification status = ≥90%  
score against the above criteria.**



**Purple Drop status = <30% against the  
above criteria**



***"If you are going to achieve excellence in big things, you develop the habit in little matters. Excellence is not an exception, it is a prevailing attitude."***

*Colin Powell*





## 1. Overstrand Local Municipality





Water Services Authority

Overstrand Local Municipality

Water Services Provider(s)

Overstrand Local Municipality

2013 Municipal Green Drop Score	89.14%
2011 Municipal Green Drop Score	88.80%
2009 Municipal Green Drop Score	63.00%

Key Performance Area	Weight	Hermanus 	Hawston 	Stanford 	Gansbaai 
Process Control & Maintenance Skills	10%	84	100	100	100
Monitoring Programme	15%	93	95	95	100
Submission of Results	5%	100	100	100	100
Effluent Quality Compliance	30%	68	69	85	77
Risk Management	15%	96	73	73	73
Local Regulation	5%	100	100	100	100
Treatment Capacity	5%	100	100	100	96
Asset Management	15%	96	93	96	93
Bonus Scores		4.86	5.48	3.55	4.43
Penalties		0.20	0.23	0.30	0.37
<b>Green Drop Score (2013)</b>		<b>91.17%</b>	<b>90.03%</b>	<b>93.39%</b>	<b>91.76%</b>
2011 Green Drop Score		92.10%	87.90%	83.00%	75.80%
2009 Green Drop Score		66.00%	57.00%	61.00%	66.00%
System Design Capacity	ML/d	7.3	1	0.5	2
Capacity Utilisation (% ADWF to Design Capacity)		56.89%	30.00%	79.20%	55.00%
Resource Discharged Into		Sea outfall (shallow)	Natural Wetland to Dunes	Kleinrivier	Lined wetlands, sportsfield irrigate
Microbiological Compliance	%	91.67%	91.67%	91.67%	100.00%
Chemical Compliance	%	87.50%	81.25%	90.00%	93.75%
Physical Compliance	%	66.67%	91.67%	94.44%	80.56%
Overall Compliance	%	80.21%	86.46%	91.67%	89.58%
<b>Wastewater Risk Rating (2012)</b>		<b>34.70%</b>	<b>33.30%</b>	<b>44.40%</b>	<b>38.50%</b>
<b>Wastewater Risk Rating (2013)</b>			<b>29.41%</b>	<b>29.41%</b>	<b>35.29%</b>

Key Performance Area	Weight	Kleinmond
Process Control & Maintenance Skills	10%	80
Monitoring Programme	15%	95
Submission of Results	5%	100
Effluent Quality Compliance	30%	29
Risk Management	15%	73
Local Regulation	5%	100
Treatment Capacity	5%	56
Asset Management	15%	100
Bonus Scores		8.84
Penalties		0.91
<b>Green Drop Score (2013)</b>		<b>77.61%</b>
2011 Green Drop Score		82.50%



2009 Green Drop Score		66.00%
System Design Capacity	ML/d	2
Capacity Utilisation (% ADWF to Design Capacity)		44.90%
Resource Discharged into		Sea (shallow outfall)
Microbiological Compliance	■	83.33%
Chemical Compliance	%	77.08%
Physical Compliance	%	100.00%
Overall Compliance	%	86.46%
Wastewater Risk Rating (2012)		44.40%
Wastewater Risk Rating (2013)		47.06%

### Regulatory Impression

The Overstrand Local Municipality is to be congratulated with an outstanding performance and able presentation of their Portfolio of Evidence. The Inspection team were impressed with "... the team's enthusiasm, expertise and knowledge of the wastewater business." As result, Overstrand is awarded with four Green Drop Certificates. The overall management of all five systems is consistent and indicative of the personnel's dedication and discipline to wastewater management. Regrettably, the Kleinmond system did not perform on par with the other 3 systems, which weakened the municipal Green Drop score to 89.14%, just short of overall Green Drop award.

The points of strength include the high overall compliance of effluent quality, prominent risk abatement, and technical skilled staff with strong management support and involvement. The presence of the Finance department contributed to the positive score received for asset management and ringfenced costing. The Hermanus WWTW is currently in the process of upgrading the works to 12ML/d. Monitoring programs should be revised to include sludge monitoring at all systems and to ensure sufficient sampling frequency where process upgrades have occurred.

Overall, Overstrand has managed to produce a polished Green Drop Performance. Overstrand is also one of very few municipalities that were using the opportunity to score against all the bonus criteria. **Well done.** The absolute consistency displayed in keeping all systems in low risk zones using the W<sub>2</sub>RAP process, is commendable. Overstrand is an accomplished service provider in wastewater management, and deserves to be mentioned amongst the top performers in the Province.

#### Green Drop findings:

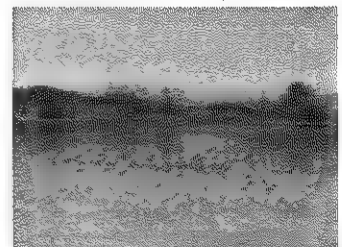
1. Regulation 17 compliance need to receive attention
2. Sea outfall monitoring frequency need to be revised for Hermanus
3. Sludge monitoring and handling could improve going forward
4. Some shortcomings are evident on process assessment which might possibly resolve some of the lower compliance to ammonia, EC, O-PO<sub>4</sub>, SS/COD at some plants, given that ample capacity exist at all plants.

### Site Inspection Report

Kleinmond 75%

The Kleinmond plant was inspected to verify the Green Drop findings:

- The plant is beautifully set, with notices, PFD, manuals and signage in place
- Process control logbooks can be improved, as well as instrumentation
- Flows recorded, except nightflow, 60% tankered, daily pumpstations checks
- Aeration of wastewater well maintained, goo process control, lime slightly slug dosed, MLSS used along temperature
- Disinfection via ultraviolet radiation, clear overflows to reed beds (Phragmites) for polishing. UV performance questioned.



## **ANNEXURE H**

# **NT & PT BUDGET CIRCULARS, COST CONTAINMENT MEASURES & FINANCIAL RATIOS AND NORMS**







## Municipal Budget Circular for the 2018/19 MTREF

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## Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR); and strives to support municipalities' budget preparation processes so that the minimum requirements of the MBRR are achieved.

In 2010 National Treasury introduced the local government budget and financial reform agenda and since then several projects to further this agenda have been introduced. The recent implementation of the municipal Standard Chart of Accounts (*mSCOA*) and the accompanying "game changers" signals a smarter way forward to strengthening local government finances.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda and associated "game changers".

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance on budget preparation that is not covered in this circular.

## 1. The South African economy and inflation targets

In the 2017 Medium Term Budget Policy Statement the Minister of Finance stated that, improving the country's economic growth in the period ahead remains the biggest challenge. This undoubtedly echoes the sentiments expressed in the previous year's annual budget circular, that the South African economic outlook is bleak.

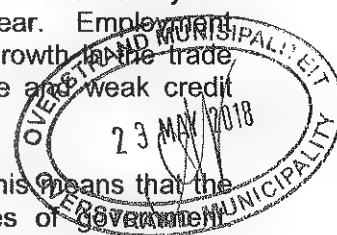
The National Treasury's macroeconomic projections show that per capita income will continue to stagnate unless appropriate financial decisions are taken. This implies that a new course of action is required to break the cycle of weak growth, escalating government debt, increasing unemployment and declining investment and business confidence.

It is important to note that the 2017 projected Gross Domestic Product (GDP) growth forecast of 1.3 per cent in the 2017/18 budget was revised down to 0.7 per cent. The rate of recovery will be slow and at this time, it is anticipated that growth of 1.9 per cent may be reached by 2020.

Notably, the anticipated economic improvements, employment opportunities and business recovery have not materialised hence the economy remains unstable. The impact of the decline in mining growth and the struggle in the agriculture sector because of the persistent drought influence the low economic growth.

The mining outlook remains subdued due to continued domestic policy uncertainty and rising production costs. Fixed-capital stock in manufacturing has declined every year since 2009, indicating a gradual erosion of capacity. Formal non-agricultural employment declined by 0.2 per cent in the first half of 2017 compared to the same period last year. Employment prospects in manufacturing remain constrained. Similarly, employment growth in the trade sector is likely to remain under pressure given low consumer confidence and weak credit growth.

In summary, the country's tax collection targets have not been met and this means that the fiscus has less funds available to allocate across the various spheres of government. Unfortunately, a similar decline cannot be measured in expenditure and this means that deficits are growing.



The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2016 - 2020**

Fiscal year	2016/17	2017/18	2018/19	2019/20	2020/21
	<u>Actual</u>	<u>Estimate</u>	<u>Forecast</u>		
CPI Inflation	6.3%	5.4%	5.2%	5.5%	5.5%

Source: Medium Term Budget Policy Statement 2017.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2018/19 budget process

### 2.1 Local government conditional grants and additional allocations

The proposed division of revenue continues to prioritise funding services for poor communities. Allocations to local government subsidise the delivery of free basic services to low-income households, and the infrastructure needed to deliver those services.

The 2017 Medium Term Budget Policy Statement (MTBPS) indicates transfers to local government for the 2018 MTREF are R397 billion, of which 62.2 per cent comprise unconditional allocations while the remainder is conditional grant funding. The allocations for local government over the medium term represent 9.2 per cent of non-interest expenditure and an increase of 8.3 per cent.

The equitable share and the allocation of the general fuel levy to local government constitute unconditional funding. Municipalities are reminded that this funding allocation is formula driven and designed to fund the provision of free basic services to disadvantaged communities. Conditional grant funding must be utilised for the intended purpose within the timeframes, as specified in the annual Division of Revenue Bill. Monies not spent must be returned to the fiscus and requests for roll-overs will only be considered in extenuating circumstances.

The annual Division of Revenue Bill will be published in February 2018 after the Minister of Finance's budget speech. The grant allocations will be specified in this Bill and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2017 Division of Revenue Act to compile their 2018/19 MTREF. In terms of the outer year allocations (2020/21 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2017 Division of Revenue Act for 2018/19. The DoRA is available at <http://www.treasury.gov.za/documents/national%20budget/2017/default.aspx>

### Changes to local government allocations

- The Equitable Share formula takes into account the rising bulk costs of electricity and water, as well as household growth. This is confirmed by the additional R1.5 billion in 2019/20 that was part of the 2017 budget for the *local government equitable share*.
- In line with government's Integrated Urban Development Framework (IUDF), the approach to funding intermediate cities will be piloted as part of the *municipal infrastructure grant* in 2018/19. It will emphasise a programme of capital investment that



combines grant and non-grant funding. This approach may take the form of a separate grant for qualifying cities over the medium term, with strong performance incentives.

- The allocation mechanism of the *public transport network grant*, which funds the improvement of urban public transport systems, will be amended. The changes will provide more stability in allocations for smaller cities. Performance incentives will be introduced and stricter conditions applied. Where cities fail to demonstrate that they have financially sustainable plans for public transport networks, allocations will be cut. Performance incentives will also be considered for other conditional grants, including for improved spending on infrastructure maintenance.
- The National Treasury and the Department of Human Settlements will review spending on urban informal settlement upgrading, with a view to changing the grant system to enable increased investment in in-situ upgrading. This work will be aligned to the review of the provincial *human settlements development grant*.

The Presidency announced in a press statement on 27 November 2017 that, "President Jacob Zuma has directed the Minister of Finance, Mr Malusi Gigaba, assisted by the Presidential Fiscal Committee, to identify concrete measures to urgently address the challenges identified in the Medium Term Budget Policy Statement." These measures should focus on four areas, one of which is, "To identify and finalise proposals for cuts in expenditure amounting to about R25 billion. Such proposed cuts should not be in areas that will negatively affect economic growth prospects and job creation." National Treasury is currently working to implement this directive from the President. If the proposed cuts in expenditure are adopted by Cabinet, they could result in substantial changes to the division of revenue that was tabled in the 2017 MTBPS. Municipalities should be aware in their planning that these changes could include substantial reductions to grants to local government. The details of any cuts to expenditure will be announced when the 2018 Budget is tabled on 21 February 2018.

### ***Reforms to local government fiscal framework***

Reforms over the medium term will enhance the ability of municipalities to raise revenue to invest in their own development.

Government will:

- Table amendments to the Municipal Fiscal Powers and Functions Act (2007) to better regulate the levying of municipal development charges; and
- Update the policy framework for municipal borrowing and financial emergencies. The purpose is to establish a system which does not only guarantee stability and certainty in local government finances, but also seeks to implicitly create incentives and attract more players in the municipal debt market space, i.e. insurers, pension funds, fund managers and DFIs.

Municipal revenue-raising capacities vary widely. The National Treasury will consider applications to waive co-funding requirements for infrastructure projects in municipalities with little or no ability to raise finance for such projects. Reprioritisations within the *regional bulk infrastructure grant*, *water services infrastructure grant* and *municipal infrastructure grant* will be made to fund the Bucket Eradication Programme.





## 2.2 Municipal Standard Chart of Accounts (*mSCOA*)<sup>1</sup>

The implementation of *mSCOA* Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that must be addressed. As a result of this, the chart was updated and version 6.2 is released with this circular (see Annexure A). Version 6.2 of the chart will be effective from 2018/19 and must be used to compile the 2018/19 MTREF. In addition, there were classification differences between the original budgets that were adopted by municipal council and the data strings that were submitted to National Treasury. Furthermore, the budget related policies were not updated to align to *mSCOA* (e.g. Virement policy).

Version 6.2 of the *mSCOA* chart to be used for the 2018/19 MTREF is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

### ***Amendments of mSCOA implementation errors during the adjustments budget***

During the budget verification process it was evident that municipalities had challenges aligning the *mSCOA* original budget data string to the original budget adopted by municipal council. The challenges differed per municipality and include differences on classification. Most municipalities were granted permission to correct the alignment during the 2017/18 adjustments budget process. The adjusted budget data strings should align to Schedule B adopted by municipal council. National and Provincial treasuries will undertake the verification process on the adjusted budgets in relation to the data strings. Therefore, municipalities are advised to submit the draft data strings and B-schedules in advance for testing purposes to ensure that aligned documents are adopted by municipal council by 28 February 2018.

### ***The impact of mSCOA on the virement policy***

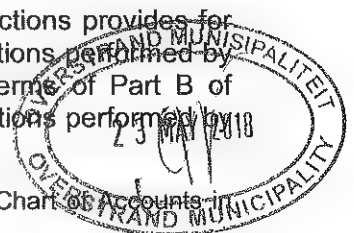
MFMA Circular No. 51 highlighted the principles that must be incorporated into municipal virement policies. It also emphasised that the policy must indicate how the virement process must be managed within the municipality to enable the tracking and reporting of funding shifts.

The principles are still applicable and relevant. The only difference is that a transaction in *mSCOA* relates to six regulated segments, therefore all segments must be considered when making a virement. Municipalities are urged to review the policy and update reference to "Vote" to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. Therefore, with the implementation of *mSCOA*, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects or savings across functions can only take place through an adjustment budget. The policy must clearly articulate that virements should not be allowed from the repairs and maintenance project in the project segment.

### ***Clarification of core and non-core functions***

There are municipalities that experienced challenges with the implementation of the function segment due to the interpretation of what is core and non-core. Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core function refers to the functions performed by

<sup>1</sup> The Minister of Finance promulgated the Municipal Regulations on a Standard Chart of Accounts in government gazette Notice No. 37577 on 22 April 2014.



local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local Government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

For example, with the water function, if a municipality is an approved Water Service Authority (WSA), the provision of water will be a core function of that municipality. However, where a municipality is providing the service on an agency basis and is not an approved WSA, this will be a non-core function.

### **2018/19 mSCOA Audit process**

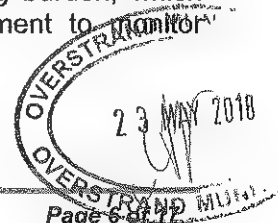
When the *mSCOA* Regulation was promulgated in 2014, it provided for a three-year preparation and readiness window. All municipalities had to be compliant with the *mSCOA* classification framework by 1 July 2017. In order to ensure that municipalities meet the compliance deadline, National Treasury provided technical guidance on the processes required through MFMA Circulars No. 57, 80, 85 and *mSCOA* Circulars 1, 2, 3, 4, 5, and 6. Furthermore, a transversal tender (RT25-2016) was issued to reduce the time spent by municipalities on onerous tender processes and price negotiations when changing its current financial system to comply with *mSCOA*. These circulars read together with the *mSCOA* regulations should be the first point of departure when municipalities prepare their *mSCOA* audit files and the following key documents should typically be included in the audit files:

- Governance: Council resolutions pertaining to *mSCOA* implementation, including the resolutions to establishment a *mSCOA* steering committee and project implementation team; all documents of the Project Steering Committee and Project Implementation Committee such as agendas, attendance registers, signed minutes of all meetings, correspondence with National and Provincial Treasuries and the *mSCOA* project plan and reports/evidence of monitoring thereof;
- Change management and training: Records as evidence that change management were implemented and that all officials were trained on *mSCOA* and the use of the *mSCOA* enabling financial system;
- Procurement of Systems: Evidence that the processes set out in Annexure B of *mSCOA* Circular No. 6 was followed, including conducting an ITC due diligence process, obtaining a recommendation from the *mSCOA* project steering committee and the views of the National/Provincial Treasury and correspondence with the Office of the Procurement Officer (OCPO) of National Treasury where the transversal tender RT25-2016 was used; and
- Data migration/conversion: As part of the audit process, the Auditor-General will review the conversion/migration/cleansing processes used by the municipality to assess the completeness, accuracy and validity of data.

Municipalities are advised to use their internal audit function to ensure that the correct process was followed. Internal audit must ensure that the municipality has complied with the requirements of *mSCOA* and the reports of internal audit must be tabled at audit committee and at municipal council for their consideration.

### **2.3 Reporting indicators**

The National Treasury has finalised the process of rationalising the built environment reporting for the eight metropolitan municipalities with an aim to reduce the reporting burden, which included the development of a set of indicators that will enable government to monitor progress on the integrated and functional outcomes.



There has been some confusion as to the level that indicators in the Service Delivery Budget Implementation Plan (SDBIP) occupy, particularly in relation to quarterly projections of service delivery targets and performance indicators for each vote (as per MFMA Circular No. 13).

Municipalities are urged to refer to MFMA Circular No.87 on rationalisation of planning and reporting requirements for the 2018/19 MTREF issued on 30 November 2017. The circular contains municipal performance indicators for metropolitan municipalities. In providing guidance, conceptual clarity and alignment between the Integrated Development Plan (IDP), Built Environment Performance Plan (BEPP), SDBIP and the performance part of the Annual Report, the MFMA Circular has conceptual application of benefit to all municipalities.

The performance indicators will be applicable to metropolitan municipalities from the 2018/19 financial year, and incrementally introduced to other categories of municipalities from 2019/20 onwards, although earlier compliance is encouraged.

## **2.4 Borrowing for capital infrastructure**

In terms of Section 46 of the MFMA, a municipality may incur long-term debt only for the purpose of current or future capital expenditure on property, plant or equipment, and in specified circumstances for refinancing existing long-term debt. A municipality cannot borrow to replenish capital, nor can borrowing be attributed to previous years' investment projects.

It has come to National Treasury's attention that some municipalities budget for long-term borrowing in a specific financial year to finance capital projects; however, the expenditure is financed from internally generated funds and not with the planned/ budgeted long-term borrowing as was approved by council. The municipalities will then obtain the long-term debt in future years to refinance the internally generated funds which were used to finance the capital projects in the previous financial years. This practice is not supported as it is not consistent with section 15 of the MFMA that provides that a municipality can only incur expenditure in terms of an approved budget and within the amounts appropriated for the different votes. The incurring of the expenditure against a different source of finance than what was approved will be regarded as unauthorised expenditure.

## **3. The revenue budget**

Similar to the rest of government, municipalities face a difficult fiscal environment. Even as demand for services rises, weak economic growth has put stress on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, water boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them, and eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend on money that they do not have.

Municipalities are reminded that, the local government equitable share allocation is mainly to fund the costs of free basic services and to subsidise the administrative costs of the smaller and more rural municipalities. The increasing unemployment and growth in the number of persons per household means that the revenue foregone in respect of free basic services will likely increase and it will become even more difficult to collect revenue. The household budget will be under pressure and trade-offs will be applied as it may be unaffordable to pay household expenses with regularity.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to ***justify all increases in excess of the projected inflation target for 2018/19*** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

### 3.1 Maximising the revenue generation of the municipal revenue base

The implementation of mSCOA requires systems integration of several sub-systems such as that which contains the municipal valuation roll. Among the internal controls, the system must have the capability to compare the valuation roll data to that of the billing system; the list of exceptions derived from this reconciliation provides an indication of where the municipality may be compromising its revenue generation in respect of property rates. Municipalities must reconcile valuation roll data, billing system and the deeds office. This may become a formal disclosure item in the near future.

Municipal own revenue sources are shrinking due to widespread drought and households opting for alternative sources of energy. This means that more effort is required to maximise revenue derived from property rates.

### 3.2 Eskom bulk tariff increases

2017/18 was the last year of the third Multi-Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (NERSA). Eskom has applied for a one year average tariff increase of 19.9 per cent for 2018/19. For municipalities, the different timing of the municipal financial year means that the increase Eskom has applied for would mean a 27.29 per cent average tariff increase in the 2018/19 municipal financial year. The National Energy Regulator of South Africa recently concluded a process of public hearings on this application, but has yet to publish a decision on the application. Municipalities can monitor [www.nersa.org.za](http://www.nersa.org.za) for news on the outcome of this process.

Municipalities should note that the average electricity tariff increase for municipalities in the 2017/18 municipal financial year was only 0.31 per cent. MFMA Circular No. 86 noted that by the time that tariff announcement was made, the local government equitable share allocations for 2017/18 had already been calculated with a higher electricity tariff increase. That circular said that "municipalities will have to budget to retain any surplus funds from the higher free basic services subsidy paid [through the local government equitable share] in 2017/18 in order to offset the cost of providing free basic electricity in 2018/19."

Municipalities are also urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

### 3.3 Water tariff increases

The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.

Municipalities must ensure that the tariffs charged are able to cover for the cost of bulk purchases, ongoing operations as well as provision for future infrastructure. There are



municipalities that are struggling to pay water boards due to a number of issues, one of which is poor financial sustainability and cost recovery. All municipalities in arrears with bulk suppliers must ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

Accounting officers should take note that failure to undertake proper due diligence in terms of the affordability of payment arrangements and making the necessary provision in the municipality's budget will be considered as an act of financial misconduct and the necessary action in terms of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings will have to be taken.

Municipalities that may have benefited from having introduced penalty tariffs for non-compliant consumers will have to adjust their budgets accordingly.

### **3.4 Water Conservation and Water Demand Management (WCWDM)**

Water Conservation and Water Demand Management has been identified as a key intervention to balance available municipal supply against projected future needs. In this regard municipalities must actively implement WCWDM. Ongoing accurate monitoring and reporting of municipal Non-Revenue Water (NRW) and water loss performance against set targets and baselines is critical. The reporting must take place via the International Water Association (IWA) water balance methodology. No new funding towards future water infrastructure projects will be considered unless municipalities can provide actual consumption figures and prove that their water losses are under control. Municipalities should increase their efforts to reduce NRW and the negative impact it has on their ability to generate their own income and run a viable water business.

## **4. Funding choices and management issues**

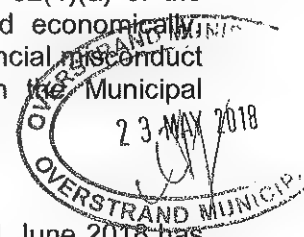
The Circular clearly outlines that, as a result of the economic landscape and weak tariff setting, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2018/19 MTREF budgets:

- improving the effectiveness of revenue management processes and procedures;
- paying special attention to cost containment measures by, amongst other things, controlling unnecessary spending on nice-to-have items and non-essential activities as was highlighted in MFMA Circular No. 82;
- ensuring value for money through the procurement process;
- the affordability of providing free basic services to all households; and
- curbing consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

### **4.1 Employee related costs**

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.



## 4.2 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

## 5. Conditional Grant Transfers to Municipalities

### 5.1 Non-compliance of in year monitoring

In terms of Section 74(1) of the Municipal Finance Management Act (No 56. of 2003) (MFMA), municipalities must submit to the National and Provincial treasuries documents and monthly grant return forms as may be prescribed or required. Furthermore, section 12(2) of the Division of Revenue Act (Act No. 3 of 2017) (DoRA) states that the municipality, as part of the report required in terms of section 71 of the MFMA, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant Transferring Officer.

There are municipalities that have not been complying with the reporting requirements as stipulated above. Municipalities are reminded that non-submission of monthly reports translates to non-compliance with the MFMA and DoRA. The National Treasury and Transferring Officer will be implementing stringent measures to municipalities that do not comply with the prescripts. This includes, but is, not limited to the stopping and reallocation of conditional grants funding away from municipalities that are non-compliant. Municipalities are encouraged to comply with the reporting requirements in order to avoid withholding or stopping of an allocation.

## 6. The Municipal Budget and Reporting Regulations

### 6.1 Tabling of funded budgets

The importance of tabling funded budgets is highlighted in MFMA Circular No. 74. This is one of the game changers in local government to ensure financial sustainability. As an initiative to support municipalities in this regard, the National and Provincial treasuries are assessing tabled budgets and assisting municipalities in effecting the required changes to ensure that they adopt funded budgets. However, some municipalities have challenges in correcting the budgets to ensure that they are funded in one financial year due to financial challenges. As a result, such municipalities must, together with their 2018/19 MTREF budget, table a plan in a municipal council on how and by when the budget will improve from an unfunded to a funded position. The National and Provincial treasuries will assess the budget together with the plans and support the municipality accordingly.

### 6.2 Budgeting for collections from arrear debtors

Most municipalities do not split collections between current and arrear debtors when reporting on table A7, this results in the collection rate being overstated. Municipalities are required to only disclose receipts from current accounts under cash flow from operating activities and the receipts from arrear accounts should be disclosed under cash flow from investing activities (Decrease in non-current debtors).



### 6.3 VAT implications (Budgeting on capital (A5) vs reporting)

MFMA Circular No. 58 indicated that municipalities must disclose total capital conditional grant allocations reflected in the DoRA under 'transfers and grants – capital' on Tables A2, A3, A4 and A5. However, there are municipalities that are experiencing challenges when reporting capital expenditure performance against the budget. The expenditure at year end appears to be understated when compared to the budget.

In terms of paragraph 4.5 of the VAT 419 Value-Added Tax – Guide for Municipalities, section 8(5A) was introduced to create a deemed supply where a person receives a grant from a public authority, constitutional institution or municipality. In light of the above it is clear that transfers to municipalities are deemed to be a zero-rated supply which includes VAT at 0 per cent. Grants are therefore VAT inclusive as per MFMA Circular No. 58 but at 0 per cent. **Therefore, municipalities must budget for VAT at 0 per cent and not 14 per cent on tables A4 and A5.** The approach also applies to the adjustments budget process (tables B4 and B5).

The fact that grants are a zero-rated supply enables municipalities to claim the input VAT on expenditure incurred. In line with MFMA Circular No. 58 a municipality must report the VAT inclusive expenditure against all conditional grants for purposes of DoRA, failing which the reclaimed input VAT will reflect as 'unspent' and revert to the National Revenue Fund (NRF). In practice the amount of expenditure (VAT exclusive) in the grant register will be expensed/ capitalised and the VAT portion reflected in the grant register may be utilised by the municipality as own revenue in terms of MFMA Circular No. 58. This also removes any doubt about the misalignment of Tables SA18, SA19, SA20, A4 and A5 due to VAT.

### 6.4 Budgeting for projections on tables SA25 to SA30

Over the years municipalities in general have not adequately completed the supporting tables SA25 to SA30, where projections were equally divided over twelve months. In addition, the quarterly projections reported on the C schedules differ with the projections that were set in the adopted budgets. This has defeated the purpose of monthly projections which seeks to improve cash flow and performance management. The implementation of mSCOA requires municipalities to undertake monthly projections, which must align to the supporting tables of the A schedule. Municipalities must reflect realistic projections when they adopt the budget and not to change the projections during in-year reporting.

### 6.5 Service level standards

A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition, MFMA Circular No.74 included a framework that was developed as an outline to assist municipalities in finalising their service level standards.

Municipalities are advised to update the service level standards to align to the new IDPs that were compiled after the 2016 Local Government Elections. As indicated in MFMA Circular No.74 it is not possible to have the same service level standards across all municipalities. Therefore, the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances.

### 6.6 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the mSCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL municipalities MUST** use this version for the preparation of their 2018/19 MTREF budget.





It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.

Special attention must be given to the supporting schedules in the prescribed A1 schedule. Where detailed data is lying in a sub-system e.g. human resource data for SA22 to SA24, this data must be pulled from the sub-system into the applicable supporting sheet.

Download Version 6.2 of Schedule A1 by clicking [HERE](#)

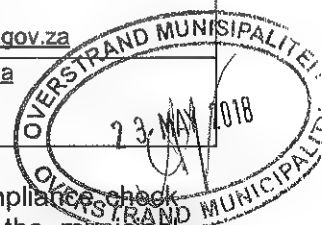
The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:  
<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 6.7 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Free State	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Nomxolisi Mawulana	012-315 5460	<a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Johan Botha	012-315 5171	<a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach	012-315 5700	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Willem Voigt	012-315 5830	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a>
	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Northern Cape	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Anthony Moseki	012-315 5174	<a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
North West	Sadesh Ramjathan	012-315 5101	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge	012-315 5661	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
	Sibusiso Mahlangu	012-395 6737	<a href="mailto:Sibusiso.Mahlangu@treasury.gov.za">Sibusiso.Mahlangu@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations.





The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure it adopt and implement a funded budget. However, where there are challenges the process indicated in paragraph 6.1 above will be applied.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The A Schedule that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. D schedules must be submitted for each entity.

## 7. Budget process and submissions for the 2018/19 MTREF

### 7.1 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and



- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za). Budget related documents and schedules may also be uploaded using the LG Upload Portal at <https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

***For couriered documents***

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

***For posted documents***

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001

In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [yasmin.coovadia@gmail.com](mailto:yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

## **7.2 Budget reform returns to the Local Government Database for publication**

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Municipalities must submit returns for both the draft budget and the final adopted budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

## **7.3 In-year reporting**

### ***The impact of mSCOA on in-year reporting***

Municipalities must submit the mSCOA compliant data strings to the LG Upload Portal. National Treasury will continue with parallel reporting using the old format (return forms) and the mSCOA data strings until it is satisfied that all municipalities are mSCOA compliant and reporting adequately to support all publications. Therefore, the data submitted using both reporting methods must reconcile. National and Provincial treasuries together with the municipalities will conduct monthly verification of the data strings, Schedules C and the return forms to ensure that corrections are effected. All corrections must be done by **28 February 2017** in line the amendments to the adjustments.



### ***Supporting documents to be submitted with Section 71 monthly reports***

Municipalities were advised in MFMA Circular No. 67 that they must provide the following additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

Most municipalities have not followed the guideline; therefore, municipalities are reminded that this request is still applicable and that the information must be submitted with the monthly Section 71 reports. The information is meant to assist in improving the quality of the quarterly published local government performance information.

### ***Monthly reporting of debtors and creditors***

National Treasury has observed through in-year monitoring that most municipalities are overstating debtors as they report on gross debtors instead of net. The format of the monthly debtors return form (Age Analysis of Debtors) provides for a column to disclose provision for impairment as per council policy. Therefore municipalities are urged to always reflect the provision for impairment in the column as indicated above for National Treasury to be able to reconcile the net debtors.

It was also observed that most municipalities are understating outstanding creditors. There is a major difference in the amounts reported through in-year reporting and those disclosed in the annual financial statements. It is assumed that amounts are not disclosed for all sundry payments and contractual commitments. Municipalities are urged to reconcile creditors on a monthly basis to increase the quality of reporting and for effective cash flow management.

### **7.4 Budget verification process**

Annually during the budget verification process it is noted that municipalities have challenges to align the audited years, which results in amendments to the Schedule A. Municipalities must ensure that the audited figures and adjusted budget figures captured on the Schedule A aligns to the annual financial statements and Schedule B respectively.

### **7.5 Publication of budgets on municipal websites**

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.



## Contact



**national treasury**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001  
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**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**08 December 2017**



**Annexure A – Changes to mSCOA version 6.2**

No.	Segment	Amendment
1	Region	Include ward / township breakdown as requested by municipalities
2	Region	Retired decommissioned municipalities due to demarcation
3	Region	Updated name changes due to demarcation and gazette notifications received
4	Item Revenue: Licences or permits	Added item for revenue from Atmospheric Emission Licence Fees
5	Item Expenditure: Depreciation	Added breakdown of asset classification to align to the CIDMS classification and SA34d
6	Item Expenditure: Remuneration of councillors	Added remuneration of Section 79 chairperson as this needs to be reported separately
7	Item Expenditure: Contracted services	Added line item for outsourced printing services
8	Item Expenditure: Operational cost: Licences	Added line item for liquor licence (entities)
9	Item Expenditure	Added "Transfer to Accumulated Surplus" account
10	Item Expenditure	Added "Capitalisation" accounts to capitalise materials, plant and vehicle costs
11	Item Assets: Investments	Report at institution level and breakdown detail for own purposes.
12	Item Assets: Current Accounts: Control, Clearing and Interface Accounts	Added line item for mistakes made by bank (over/ under banking, unidentified deductions from bank account)
13	Item: Assets, Liabilities and Net Assets	Removed all "Closing Balance" accounts
14	Item Assets and Liabilities	Added "Opening Balance" accounts, detail to be carried in the sub-system
15	Function	Expanded definition descriptions to guide municipalities on the difference between core and non-core functions
16	Fund	Added breakdown of grants, transfers and subsidies as requested by municipalities
17	Fund	Aligned Fund, Item Liabilities, Item Expenditure and Item Revenue segments
18	Project	Changed breakdown allowed to "Yes" for 8 items that indicated "breakdown required but principle N/A".







## Municipal Budget Circular for the 2018/19 MTREF

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## Introduction

This budget circular is a follow-up to the one issued in December 2017. It guides municipalities with their preparation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context. Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2018 Budget Review and the 2018 Division of Revenue Bill.

### 1. The South African economy and inflation targets

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

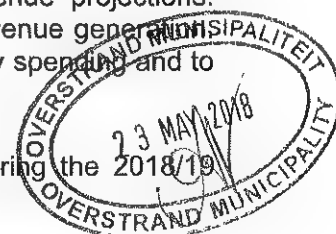
The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

The following macro-economic forecasts must be considered when preparing the 2018/19 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2017 - 2020**

Fiscal year	2017/18	2018/19	2019/20	2020/21
	<u>Estimate</u>	<u>Forecast</u>		
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%





Source: 2018 Budget Review.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

## 2. Key focus areas for the 2018/19 budget process

### 2.1 Local government grants and additional allocations

Since the 2017 Medium Term Budget Policy Statement (MTBPS) reprioritisation and reductions undertaken have affected planned spending for 2018/19. Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of R13.9 billion has been cut from direct local government conditional grant allocations for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.

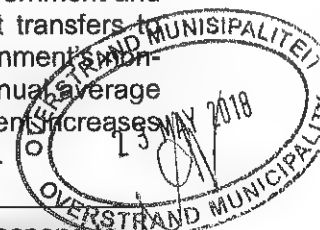
Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.

Allocations to the local government equitable share will continue to grow over the next three years, alongside a significant reduction in conditional grants. The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.

The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTREF. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. Total direct allocations to local government grow at an annual average rate of 7.5 per cent over the MTEF period. The total spending on local government increases to 9.5 per cent of national non-interest expenditure when adding indirect transfers.

Municipalities are reminded that all allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website by clicking on the link below:  
<http://www.treasury.gov.za/documents/national%20budget/2018/>



### Changes to local government allocations

## Unconditional grants

An amount of R3.4 billion is added to the *local government equitable share* over the medium term to compensate for the rising costs of providing free basic services to the growing number of indigent households. This covers the likely above-inflation increases in the costs of bulk water and electricity. This also allows for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula. This allocation is in addition to the previous increases and an above inflation growth rate for the baseline in 2020/21. This means that the local government equitable share grows at an annual average rate of 10.4 per cent over the MTEF.

## Conditional grants

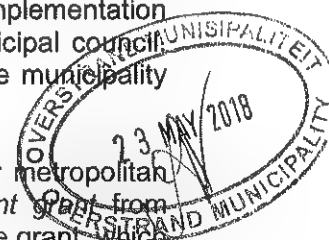
The most substantial reduction has been applied to the largest grant – the *municipal infrastructure grant*. However, the structure of the formula used to allocate this grant reduces the impact of reductions on smaller municipalities. Project-based grants, such as those in the electricity and water sectors, have identified projects that will be postponed as a result of the adjustments. These changes do not affect any water augmentation projects in drought-affected areas.

Reductions to the *public transport network grant* are much larger in the outer years of the MTEF. This allows for the Department of Transport and the National Treasury to review the sustainability of public transport plans and to assess whether some cities should put projects on hold while they revisit system design.

The 2017 MTBPS announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. A *new municipal restructuring grant* will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. The National Treasury will consult with national departments, provinces and South African Local Government Association (SALGA) on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The municipal restructuring grant will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan.

Smaller cities face some of the same urban development challenges as major metropolitan areas. These cities will be eligible for a *new integrated urban development grant* from 2019/20. Cities will have to meet planning and performance criteria to receive the grant, which will be funded through a shift of funds from the municipal infrastructure grant. The new grant will require cities to plan for a programme of infrastructure investment, funded from grants and own revenues, rather than just standalone projects. This aligns with the policy set out in the Integrated Urban Development Framework (IUDF) approved by Cabinet in April 2016. This approach will be piloted in uMhlathuze and Polokwane local municipalities in 2018/19. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill.



## 2.2 Drought disaster relief

Severe drought conditions are affecting large parts of the country, and placing extreme strain on the supply of water to the nearly 4 million people in the City of Cape Town. Some smaller towns in the Northern Cape, Eastern Cape and Western Cape, as well as Nelson Mandela Bay Metro, are also facing severe water shortages. The drought has been classified as a national disaster by the National Disaster Management Centre. Government is committed to managing available supply to ensure basic needs are met, while implementing plans to improve long-term sustainability in a water stressed country.

Government is prepared to provide financial assistance as deemed necessary:

- A provisional allocation of R6 billion has been set aside in 2018/19 for drought relief in several provinces, to assist the water sector and to augment public investment projects supported by improved infrastructure planning. Some of these funds may be allocated to support water augmentation projects in an Adjustments Budget, however, the full costs of new schemes will eventually have to be recovered from water users through tariffs.
- The Division of Revenue Act allows for conditional grant funds to be reallocated for disaster relief. Such additional funding may be used in 2017/18 for immediate interventions such as accelerating groundwater development.
- Disaster relief grants for provinces and municipalities are R423.7 million in 2017/18 and R472.9 million in 2018/19. This may be quickly released to assist in the event of an emergency.
- If agricultural employment is seriously destabilised, government can temporarily increase the intake on the Working for Water Programme. These short-term jobs will provide a substitute employment option, while helping to improve runoff in catchment areas by removing alien vegetation.

## 2.3 Participation in RT15-2016 Vodacom transversal contract- for the supply and delivery of mobile communication services to the state

When municipalities make an application to the Office of the Chief Procurement Officer (OCPO) to participate in the RT15-2016 transversal contract's account management service offering in respect of smart meters, they must comply with the process that will be communicated in an MFMA Circular that will soon be issued. In terms of the application process municipalities are expected to provide evidence of adequate operating budget provision over the MTREF. The Circular will include pre-conditions for eligibility to participate, such as adequate resourcing and technology platform to fulfil their obligation as envisaged by the Smart Utility Management Solution; and capability to sustain the implementation effort in the longer term.

## 3. The revenue budget

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; therefore municipalities are required to **justify all increases in excess of the projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition municipalities should



include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

### 3.1 Eskom bulk tariff increases

The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018. Municipalities are encouraged to download the full guideline document (available at [www.nersa.org.za](http://www.nersa.org.za)) and study it carefully. The guideline includes an update to the average cost structure used to determine the municipal tariff increase. It also sets out proposed timeframes for the approval of municipal tariffs. NERSA invites comments on the guideline to be submitted by 20 March 2018.

The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.

Municipalities are urged to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability. Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.

It should be noted that the guideline increase for municipal tariffs and the bulk tariff increase that Eskom will charge municipalities are both lower than the 8 per cent used to calculate the free basic electricity subsidies provided through the local government equitable share formula.

## 4. Funding choices and management issues

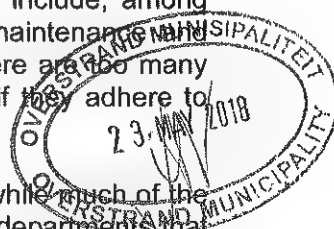
### 4.1 Management Issues

Many municipalities continue to face institutional challenges and mismanagement that result in service delivery failures, bad debt accumulation, limited cash flows and consequent non-payment of creditors. Eskom and water boards are owed the greater percentage of the total municipal creditors; and protracted non-payment undermines the financial sustainability of these state-owned entities.

The non-payment of creditors is a symptom of underlying problems which include, among others, weaknesses in revenue collection and underinvestment in asset maintenance and renewal, which compromises the reliability of delivering basic services. There are too many municipalities that fail to adopt credible budgets and this means that even if they adhere to their budgeted plans, they will not be financially sustainable.

The national and provincial departments collectively owe municipalities and while much of the historic debt has been verified by the Department of Public Works there are departments that do not have sufficient funds to settle these debts. The Department of Public Works continues to facilitate the ongoing government debt verification and settlement process.

In order to achieve financial sustainability, municipalities must demonstrate the political will to implement the changes required to improve their performance. Where municipalities



consistently fail to deliver their mandates, the Constitution provides for provincial and/or national government to intervene.

Government will introduce a conditional grant in the outer years of the 2018 MTEF to provide support to municipalities facing financial crises. This grant funding will only be accessible to municipalities that have demonstrated the political will to implement reforms necessary to turn themselves around. The grant will be designed and consulted during 2018.

#### 4.2 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

#### 4.3 Remuneration of councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

### 5. Conditional Grant Transfers to Municipalities

This section provides guidance to municipalities with regard to the preparation for the 2017/18 unspent conditional grant and roll-over process and should be referenced to previous annual budget circulars.

#### 5.1 Criteria for the rollover of conditional grant funds

Section 22 of the 2017 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer must be addressed to the **National Treasury** requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2017 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that the project tender was published and the period for tender submissions closed before 31 March;
  - b) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or



- c) Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the final year of the project; and
  - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation (**attach a visible implementation plan**);
  5. The value of the committed project funding, and the conditional allocation from the funding source;
  6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
  7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
  8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and
  9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.

***No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy.***

**If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2018, the application will be declined.**

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2017 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements information to National Treasury by 31 August 2018;
3. Accurate disclosure of grant performance in the 2017/18 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. The National Treasury will not consider requests to approve the entire allocation to the municipality as there should be a minimum spend of 50 per cent of the allocation per programme;
5. Cash available in the bank (net position including short term investments) as at 30 June 2018 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted to municipalities requesting a roll-over of the same grant for the third consecutive time;
7. Incorporation of the Appropriation Statement;
8. No roll over application project constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) will be approved. Projects linked to additional funding and disasters are exempted;
9. If the full amount that is requested for roll over is not entirely cash backed, such a roll over will not be approved. National Treasury will not approve portions of roll over requests; and
10. Evidence that the roll over application is linked to invoices that were issued within the last 30 days of the municipal financial year end.



## 5.2 Unspent conditional grant funds for 2017/18

The process to ensure the return of unspent conditional grants for the 2017/18 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2018 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.
- Step 2: When preparing the Annual Financial Statements a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2018. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2017 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2018.

***National Treasury will not consider any rollover requests that are incomplete or received after this deadline.***

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 22 October 2018 or whether it will agree to any alternative payment arrangement or schedules.
- Step 5: National Treasury will communicate the unspent conditional grants amount by 05 November 2018. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2018.
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2018, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 03 December 2018 equitable share allocation.

**All other issues pertaining to Appropriation Statement and reporting on approved roll overs are addressed in the Annexure to MFMA Circular No. 86.**

## 6. The Municipal Budget and Reporting Regulations

### 6.1 The impact of VAT increase on tariffs

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of the Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate.





The South African Revenue Service issued a guideline on how the increase in VAT must be implemented. The guideline is available on the link below:

<http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf>

## 6.2 Schedule A - version to be used for the 2018/19 MTREF

National Treasury has released Version 6.2 of Schedule A1 (the Excel Formats) which is aligned to version 6.2 of the mSCOA classification framework which must be used when compiling the 2018/19 MTREF budget. **ALL** municipalities **MUST** use this version for the preparation of their 2018/19 MTREF budget.

*It is imperative that all municipalities prepare their 2018/19 MTREF budgets in their mSCOA financial systems and that the A1 schedule be produced directly from their financial system. All financial systems must have this functionality to assist and prepare budgets.*

Special attention must be given to the supporting schedules in the prescribed A1 Schedule. Where detailed data is housed in a sub-system e.g. human resource data for SA22 to SA24, this data must be extracted from the sub-system into the applicable supporting sheet.

The following supporting tables will be included for perusal and sign-off during the verification process of the 2018 MTREF: SA11, SA12a, SA13a, SA14, SA22, SA23, SA24, SA25, SA27, SA36, SA37 and SA38.

It is therefore important to focus on the additional supporting data as well as the financial data submitted on A1 to A10 during the verification process undertaken with National Treasury, the provincial treasuries and all municipalities.

Download Version 6.2 of Schedule A1 by clicking [HERE](#)

The Municipal Budget and Reporting Regulations, formats and associated guides are available on National Treasury's website at:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx>

## 6.3 Assistance with the compilation of budgets

In cases where the municipality requires advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury official:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Bernard Mokgabodi	012-315 5936	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a>
	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
Free State	Jordan Maja	012-315 5663	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>





	Nomxolisi Mawulana	012-315 5460	<a href="mailto:Nomxolisi.Mawulana@treasury.gov.za">Nomxolisi.Mawulana@treasury.gov.za</a>
KwaZulu-Natal	Bernard Mokgabodi Johan Botha	012-315 5936 012-315 5171	<a href="mailto:Bernard.Mokgabodi@treasury.gov.za">Bernard.Mokgabodi@treasury.gov.za</a> <a href="mailto:Johan.Botha@treasury.gov.za">Johan.Botha@treasury.gov.za</a>
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	<a href="mailto:Una.Rautenbach@treasury.gov.za">Una.Rautenbach@treasury.gov.za</a> <a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	<a href="mailto:Willem.Voigt@treasury.gov.za">Willem.Voigt@treasury.gov.za</a> <a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Northern Cape	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	<a href="mailto:Jordan.Maja@treasury.gov.za">Jordan.Maja@treasury.gov.za</a> <a href="mailto:Anthony.Moseki@treasury.gov.za">Anthony.Moseki@treasury.gov.za</a>
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	<a href="mailto:Sadesh.Ramjathan@treasury.gov.za">Sadesh.Ramjathan@treasury.gov.za</a> <a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Vuyo Mbunge Kevin Bell	012-315 5661 012-315 5725	<a href="mailto:Vuyo.Mbunge@treasury.gov.za">Vuyo.Mbunge@treasury.gov.za</a> <a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant.

The National Treasury herewith emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to return to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The Schedule A that the municipality submits to National Treasury must be a consolidated budget for the municipality (plus entities) and the budget of the parent municipality. Schedules D must be submitted for each entity.

## 7. Budget process and submissions for the 2018/19 MTREF

### 7.1 Budgeting for the audited years on Schedule A (mSCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2014/15 to 2016/17 in version 6.2 of the Schedule A when compiling 2018/19 MTREF budgets.



The amalgamated municipalities must complete the 2016/17 audited years, current year (2017/18) and the 2018/19 MTREF budgets.

## 7.2 Submitting budget documentation and schedules for 2018/19 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution is **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

Municipalities are required to send electronic versions of documents and the A1 schedule to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za). Any problems experienced in this regard can be addressed with Elsabe Rossouw at [Elsabe.Rossouw@treasury.gov.za](mailto:Elsabe.Rossouw@treasury.gov.za). Budget related documents and schedules may also be uploaded using the LG Upload Portal at <https://portals.treasury.gov.za/sites/LGUploadPortal/SitePages/Home.aspx>

Municipalities are required to send printed submissions of their budget documents and council resolution to:

### **For couriered documents**

Ms Linda Kruger  
National Treasury  
40 Church Square  
Pretoria, 0002

### **For posted documents**

Ms Linda Kruger  
National Treasury  
Private Bag X115  
Pretoria, 0001



In addition to the above-mentioned budget documentation, metropolitan municipalities must submit the draft Built Environment Performance Plan (BEPP) tabled in council by 31 March 2018 to [Yasmin.coovadia@treasury.gov.za](mailto:Yasmin.coovadia@treasury.gov.za). If the BEPP documents are too large to be sent via email (exceeds 4MB) please submit to [Yasmin.coovadia@gmail.com](mailto:Yasmin.coovadia@gmail.com) or send to Yasmin Coovadia via Dropbox; any problems experienced in this regard can be addressed with [Yasmin.Coovadia@treasury.gov.za](mailto:Yasmin.Coovadia@treasury.gov.za). Hard copies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> floor 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.

### 7.3 Budget reform returns to the Local Government Database for publication

Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za). Although there is some mis-alignment between the mSCOA classification and the budget return forms, municipalities must find the best fit to represent their 2018 MTREF budget figures as the publications will still be based on the budget returns for 2018/19.

Municipalities must submit returns for both the **tabled** budget and the final **adopted** budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link: [http://mfma.treasury.gov.za/Return\\_Forms/Pages/default.aspx](http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx).

The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures.

### 7.4 Upload of the mSCOA budget data strings to the LG upload portal

Municipalities must upload the mSCOA data strings for the tabled (**TABB**) and adopted (**ORGB**) budget to the upload portal. The budget data strings must be accompanied by the IDP project details data strings (**PRTA** and **PROR**). The deadlines for submission of the MBRR documents are also applicable to the mSCOA data strings. Refer to paragraph 7.2 above.

### 7.5 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (including the audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting transparency and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.



## Contact



**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

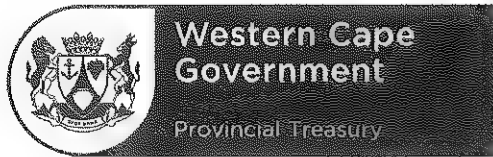
**Post** Private Bag X115, Pretoria 0001  
**Phone** 012 315 5009  
**Fax** 012 395 6553  
**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**07 March 2018**





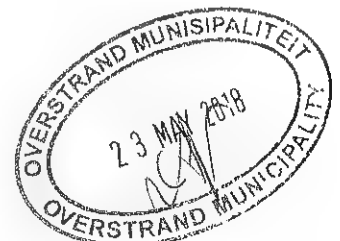
Dr Tembela Nabe  
Local Government Budget Office  
Email: [tembela.nabe@westerncape.gov.za](mailto:tembela.nabe@westerncape.gov.za)  
tel: +27 021 483-4824 fax: +27 021 483-4680

Reference: RCS/C.5

## TREASURY CIRCULAR MUN NO. 13/2018

THE MAYOR, CITY OF CAPE TOWN: MS P DE LILLE  
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR JH CLEOPHAS  
THE MAYOR, MATZIKAMA MUNICIPALITY: MS G STEPHAN  
THE MAYOR, CEDERBERG MUNICIPALITY: MR J BARNARD  
THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL  
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN  
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN  
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT  
THE MAYOR, WITZENBERG MUNICIPALITY: MR BC KLAASEN  
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE  
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV G VAN DEVENTER  
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THE MAYOR, LANGEBOEG MUNICIPALITY: MR HM JANSEN  
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THE MAYOR, OVERSTRAND MUNICIPALITY: MR D COETZEE  
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR PJ SWART  
THE MAYOR, SWELLENDAAM MUNICIPALITY: MR NG MYBURGH  
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THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY  
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THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL  
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK  
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER  
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE  
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THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N CONSTABLE  
THE MAYOR, LAINGSBURG MUNICIPALITY: MR J MIENIES  
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING  
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR J VAN DER LINDE

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: MR L MBANDAZAYO (ACTING)  
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT  
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR DP LUBBE  
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR L VOLSCHENK  
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE  
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: DR P VOGES  
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ  
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS  
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THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS  
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR SA MOKWENI  
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR D BERETTI  
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MS B MUNSAMY-SWARTLAND (ACTING)  
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR C GROENEWALD  
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR D O'NEILL  
THE MUNICIPAL MANAGER, SWELLENDAAM MUNICIPALITY: MR A GROENEWALD  
THE MUNICIPAL MANAGER, EDEN DISTRICT MUNICIPALITY: MR M STRATU  
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR R STEVENS  
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS



THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: ADV MG GILIOMEE  
 THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: MR T BOTHA  
 THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR A PAULSE  
 THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR J DOUGLAS (ACTING)  
 THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR K CHETTY  
 THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR S JOOSTE  
 THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD (ACTING)  
 THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR H METTLER  
 THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR K HAARHOFF

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY  
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: MR J KOEKEMOER  
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR G SEAS  
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR E ALFRED  
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR G GOLIATH  
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER  
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON  
 THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD  
 THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER  
 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR J CARSTENS  
 THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR M WÜST  
 THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG  
 THE CHIEF FINANCIAL OFFICER, LANGEBOEG MUNICIPALITY: MR B BROWN  
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: DR J TESSELAAR  
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW  
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDE  
 THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON  
 THE CHIEF FINANCIAL OFFICER, SWELLENDAAM MUNICIPALITY: MR H SCHLEBUSCH  
 THE CHIEF FINANCIAL OFFICER, EDEN DISTRICT MUNICIPALITY: MS L HOEK  
 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR B STRYDOM  
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN  
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR K BRUWER (ACTING)  
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR K JORDAAN  
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 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR V MKHEFA  
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR M MEMANI  
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MS U BAARTMAN  
 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD  
 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR J NEETHLING  
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR CJ KYMDELL

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)  
 THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)  
 THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)  
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MS M KORSTEN)  
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)  
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR M SIGABI) (ACTING)  
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)  
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)  
 THE CHIEF FINANCIAL OFFICER (MS U BRINK) (ACTING)  
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)  
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)  
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS N PALMER) (ACTING)  
 THE DIRECTOR: FISCAL POLICY (DR N NLEA)  
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)  
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)  
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR ML BOOYSEN)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR A DYAKALA)  
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)  
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)  
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)  
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS A SMIT)  
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)



**MUNICIPAL BUDGET CIRCULAR FOR THE 2018/19 MTREF****1. PURPOSE**

- 1.1 The purpose of this Circular is to brief municipalities on the 2018 Local Government Medium Term Expenditure Committee Process (i.e. LG MTEC) and related matters.

**2. LEGISLATIVE CONTEXT**

- 2.1 The Western Cape Provincial Government has institutionalised the LG MTEC process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003; and
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA].

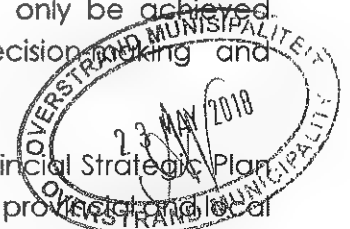
- 2.2 The 2018 process will build on the successes of previous engagements in order to strengthen the alignment between municipal and provincial planning and budgeting and reinforce the theme of municipal sustainability for the current 4<sup>th</sup> Generation Integrated Development Planning Cycle.

**3. AN INTEGRATED APPROACH TO PLANNING AND BUDGETING**

- 3.1 Cognisance should be taken of recent political developments and the associated change in national priorities which will subsequently impact upon the short-term municipal planning and budgeting efforts as well as the medium-term growth and development outlook of local government.

- 3.2 Current economic pressures as well as resource, capacity and governance constraints impact upon the ability of local government to provide basic services and to improve the overall quality of life of its citizens. Despite municipalities making significant progress to address such challenges, there is an increased acknowledgement that true service delivery excellence can only be achieved through integrated development planning, considered decision making and appropriate policy responses by all spheres of government.

- 3.3 In support of this notion, the Western Cape Government's Provincial Strategic Plan promotes an integrated management approach to better align provincial and local government policy, planning, budgeting and implementation, while supporting the spatial and local context. This alignment is formalised through a structured workplan which was formally adopted by Provincial Top Management and Municipal Managers in August 2017. The 2017/18 Integrated Workplan, which specifically gives



effect to the concept of *partnerships* (a prominent feature of Provincial Strategic Goal 5) synchronises key processes within the Western Cape Government by strengthening joint planning, co-ordination, collaboration and coherence across sector departments, municipalities and national organs of state.

- 3.4 The Integrated Workplan aims to improve the self-sufficiency of local government entities by focussing on the governance, economic and financial elements associated with municipal sustainability and better coordinated planning, budgeting and governance processes. Practical effect is given to this envisaged outcome through strategic and technical engagements.
- 3.5 The Strategic Integrated Municipal Engagements (SIME) were held in October/November 2017 and served as a platform to discuss strategic issues affecting all municipalities (eg. water security and its impact on the economy, socio-economic analysis and infrastructure for economic development) as well as district specific emerging issues. The SIME was followed by the recent Technical Integrated Municipal Engagements (TIME) in February 2018. The TIME brings together officials to discuss strategic risks, governance and performance challenges confronting a municipality. The TIME aims to promote excellence in municipal governance practices and to support the long term sustainability of local government.
- 3.6 LG MTEC will take place in April/May and therefore precedes the implementation of municipal budgets. The engagement provides provincial government the opportunity to assess the municipality's planning efforts for the upcoming budget year. Similar to the National Treasury Benchmarking Exercise, LG MTEC serves as a holistic process that measures the extent to which strategic planning and budgeting is credible, sustainable and responsive/relevant.
- 3.7 The key theme for the 2018 LG MTEC process will be **municipal sustainability**. Sub-themes will include, economic growth and development, drought management, waste management and partnerships. The main issues influencing municipal sustainability include, amongst others:
  - Constrained growth at national level directly impacts upon the fiscal envelope of the Province. Dwindling revenue expectations and stricter fiscal consolidation measures have resulted in baseline reduction across the three spheres of government. Low economic growth and tight fiscal environment impacting directly on municipal revenue.
  - Risks associated with infrastructure delivery include reductions in grant funding, bulk infrastructure shortfalls, maintenance backlogs and the shortage of professional staff, particularly infrastructure posts.

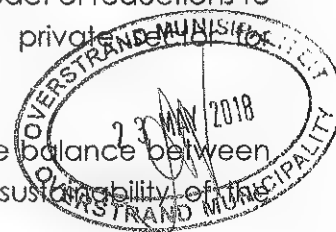




- The severe and prolonged drought in large parts of the Western Cape, which has now been declared a national disaster.
- Service delivery pressures due to high levels of unemployment, poverty and migratory patterns.

3.8 The aforementioned issues and key service delivery and budgetary risks from the current constrained fiscal environment need to be taken into account in finalising the 2018/19 MTREF budget. Municipalities are therefore encouraged to:

- Conform to relevant laws and regulations in support of service delivery performance.
- Adopt a more conservative approach in estimating municipal revenue and apply stricter indigent relief to target the most deserved.
- Become more efficient in the collection of revenue.
- Ensure that investments reflect good value for money, minimize costs of service delivery, and tariffs are cost reflective.
- Leverage on alternative technologies in the provision of electricity and water, minimise energy expenses through energy saving measures; reduce water and electricity losses, improve billing systems and ensure repairs and maintenance of infrastructure are done on a regular basis.
- Ensure greater sustainability of basic service delivery through spending on maintenance and renewal of infrastructure underpinning the delivery of basic services.
- Improve the quality of human capital in municipalities to build a capable state as required in terms of South Africa's 2030 National Development Plan.
- Fast-track service delivery objectives within affordable revenue and expenditure parameters.
- Invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.
- Maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households while ensuring the sustainability of the municipality.



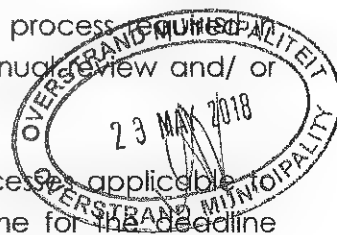
#### 4. MUNICIPAL BUDGET PROCESS

##### 4.1 Non-compliance with the provisions of Chapter 4 of the MFMA

- As per section 27 of the MFMA, the mayor of a municipality must inform the MEC for Finance in writing of any impending non-compliance with the provisions of the MFMA or any other legislation pertaining to the tabling or approval of an annual budget or compulsory consultation processes.
- If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which should reach the MEC for Finance in writing by 15 March 2018 in accordance with Schedule G of the Municipal Budget and Reporting Regulations. It is recorded that no such applications were submitted to the MEC for Finance by the regulated date.

##### 4.2 Municipal Budget Day

- According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March each year) before the start of the budget year.
- It is important to note there is no explicit requirement for council to endorse or approve the tabled budget or reviewed or amended IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and reviewed/ amended IDP after the completion of one or more public participation processes undertaken pursuant to section 22, read with section 23 of the MFMA. Council will only consider for approval "the product of an inclusive budget preparation and consultative process" when the proposed annual budget (as amended, if applicable) is placed before council in terms of section 24(1) of the MFMA.
- Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed by the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process in terms of section 22 of the MFMA) at a time when the annual review and/ or revision of the municipality's IDP has not been completed.
- If a municipality has failed to complete the relevant processes applicable to the review and revision of the annual budget and IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the



mayor should submit an application for an extension of the said deadline to MEC for Finance as outlined in paragraph 4.1 above.

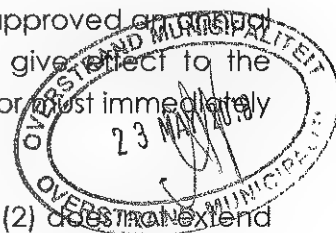
- Municipalities are kindly requested to indicate any changes to the confirmed tabling dates as per **Appendix A** with the Provincial Treasury as it is crucial for the collection of the budget documentation and the assessment process leading up to the LG MTEC engagements. Municipalities are requested to indicate any changes to the confirmed tabling dates to [Tania.Bosser@westerncape.gov.za](mailto:Tania.Bosser@westerncape.gov.za) by **20 March 2018**.
- It is important to note that although National Treasury has granted municipalities up to 3 and 6 April 2018 to submit the electronic and hard copies of the budget documentation, Provincial Treasury requires these documents on the tabling date of the budget documentation to fulfil its responsibilities in terms of section 5 of the MFMA.

#### 4.3 Adoption of Municipal Budgets

- According to section 24(1) of the MFMA, the Municipal Council must at least 30 days before the start of the budget year (by 31 May each year) consider approval of the annual budget and any changes to the municipality's IDP.
- Furthermore, an annual budget must be approved by the Municipal Council before the start of the budget year (1 July each year) in line with section 24(2) of the MFMA. Failure to approve an annual budget by the start of the financial year will result in the Provincial Executive having to intervene in terms of section 139(4) of the Constitution.

#### 4.4 Failure to Approve Budget Before the Start of Budget Year


- In the event that an annual budget is not approved, section 25 of the MFMA states that: (1) If the municipality failed to approve an annual budget, including revenue-raising measures necessary to give effect to the budget, the council must reconsider the budget and again vote on the budget, or an amended version thereof within seven (7) days of the council meeting that failed to approve the budget. (2) The process provided for in subsection (1) must be repeated until a budget, including revenue-raising measures necessary to give effect to budget, is approved. (3) If a municipality has not approved an annual budget, including revenue-raising measures necessary to give effect to the budget, by the first day (1 July) of the budget year, the mayor must immediately comply with section 55 of the MFMA.
- It is important to note that the process outlined in section 25(2) does not extend beyond 30 June each year.




- Upon failing to approve the budget by the first day (i.e. 1 July) of the applicable budget year, the mayor must, in terms of section 55, immediately report the matter to the MEC for local government in that province and may recommend to the MEC appropriate provincial interventions in terms of section 139 of the Constitution.
- In terms of section 26(1) of the MFMA, failure to adopt an annual budget by the start of the applicable budget year, the provincial executive, must intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget (or the revenue-raising measures) are approved. Intervening actions may include dissolving the council, appointing an administrator until a newly elected council has been declared elected, and/or approving a temporary budget to ensure the continued functioning of the budget.

## 5. NATIONAL AND PROVINCIAL TREASURY GUIDELINES

- 5.1 Municipalities are advised to include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2018/19 MTREF Budget documents and to table it as part of the budget documentation in the Municipal Council.
- 5.2 Municipalities are advised to consult MFMA Circulars 89 and 91 and incorporate the requirements in preparing its budget documentation. The following are highlights and explanatory notes from MFMA Circular 91:

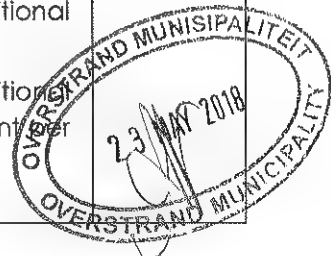
MFMA Circular 91 Highlights	Circular section
<p><b><i>The South African economy and inflation targets</i></b></p> <ul style="list-style-type: none"> <li>• The GDP growth rate is forecasted at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.</li> <li>• The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities.</li> <li>• CPI inflation has been estimated at 5.3 per cent for 2017/18 and 2018/19 respectively and forecasted to increase to 5.4 per cent for 2019/20 and 5.5 per cent for 2020/21.</li> <li>• The current water crisis in the Western Cape and other provinces will have a severe effect on economic growth. As such, the Western Cape growth is estimated to increase to 0.7 per cent in 2017, contracts by 0.3 per cent in 2018 and increases by 2.8 per cent in 2019 - The contraction in 2018 is largely due to the short-term impact of the drought on the agricultural sector.</li> </ul>	<p>Section 1</p> 

MFMA Circular 91 Highlights	Circular section
<p><b>Key focus areas for the 2018/19 Budget process</b></p> <p>The key focus areas for the 2018/19 Budget Process are:</p> <ol style="list-style-type: none"> <li>2.1 The 2017 Medium Term Budget Policy Statement (MTBPS) indicates that reprioritisation and reductions undertaken have affected planned spending for 2018/19.</li> <li>2.2 A total of R13.9 billion has been cut from direct local government grant allocations for the 2018 Medium Term Expenditure Framework (MTEF) period since the 2017 MTBPS was tabled. Indirect Grants to local government have been reduced by an additional R2.2 billion.</li> <li>2.3 The reductions did not affect all conditional grants and not all grants were reduced by the same percentage. The large infrastructure conditional grants were the ones that were affected as this was considered the most practical approach.</li> <li>2.4 The overall impact of reducing this funding affects capital programmes, thus local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. The average reductions over the medium term are 3.5 per cent of local government allocations.</li> <li>2.5 Conditional grant funding targets delivery of national government's service delivery priorities. Thus, it is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access the funding.</li> <li>2.6 The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.</li> <li>2.7 The total value of conditional grants directly transferred to local government increases from R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.</li> <li>2.8 Large municipalities are expected to invest more of their own resources, offsetting some of the impact of reductions to infrastructure grants, while building partnerships with the private sector for infrastructure delivery over the period ahead.</li> <li>2.9 The 2018 Budget provides for R382.8 billion to be transferred directly to local government and a further R21.8 billion allocated to indirect grants for the 2018 MTREF. National Government will provide financial assistance to areas that have been affected by drought to ensure that basic needs are met.</li> </ol>	<p>Section 2</p> 

MFMA Circular 91 Highlights	Circular section
<p><b>The revenue budget</b></p> <p>3.1 Municipalities are urged to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring sustainability of the municipality.</p> <p>3.2 The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the 3 to 6 per cent target band; thus municipalities are required to <b>justify all increases in excess of the projected inflation target for 2018/19</b> in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.</p> <p>3.3 Municipalities should include a detail of their revenue growth assumption for the different service charges in their budget narratives.</p> <p>3.4 The local government sphere confronts tough fiscal choices in the face of financial and institutional difficulties that result in service delivery breakdowns and unpaid bills, thus municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.</p> <p>3.5 The National Energy Regulator of South Africa (NERSA) published their "Municipal Tariff Guideline Increase, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2018/19 Financial Year" on 28 February 2018. Municipalities are encouraged to download the full guideline document (available at <a href="http://www.nersa.org.za">www.nersa.org.za</a>) and study it carefully.</p> <p>3.6 The NERSA document proposes a 6.84 per cent guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of 7.32 per cent.</p> <p>3.7 Municipalities are advised to examine the cost structure of providing electricity services and to apply to NERSA for electricity tariff increases that reflect the total cost of providing the service so that they work towards achieving fully cost-reflective tariffs that will help them achieve financial sustainability.</p> <p>3.8 Municipalities in arrears with Eskom should ensure that their payment arrangements are effected in their 2018/19 MTREF budget.</p>	Section 3



MFMA Circular 91 Highlights	Circular section
<p><b>Funding choices and management issued</b></p> <p><b>4.1 Employee related costs</b> The Salary and Wage Collective Agreement for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.</p> <p><b>4.2 Remuneration of councillors</b> Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance.  Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.</p>	Section 4
<p><b>Conditional Grant Transfer to Municipalities</b></p> <p><b>5.1 Criteria for the rollover of conditional grants funds</b> Section 22 of the 2017 Division of Revenue Act (DoRA) requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer, provincial treasury and transferring national officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.  When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the DoRA, municipalities must include the following information with their submission to National Treasury:</p> <ol style="list-style-type: none"> <li>1. A formal letter, signed by the accounting officer must be addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2017 DoRA;</li> <li>2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;</li> </ol>	Section 5



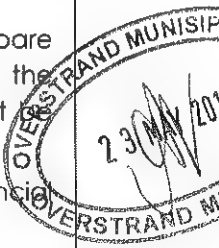
MFMA Circular 91 Highlights	Circular section
<ol style="list-style-type: none"> <li>3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):               <ol style="list-style-type: none"> <li>a. Proof that the project tender was published and the period for tender submissions closed before 31 March;</li> <li>b. Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or</li> <li>c. Proof of a project tender, appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding; and</li> <li>d. Evidence that all projects linked to an allocation will be fully utilised by 30 June 2019 (attach cash flow projection for the applicable grant), was allocated during the course of the final year of the project.</li> </ol> </li> <li>4. A progress report (also in percentages) on the status of each project's implementation (attach a visible implementation plan);</li> <li>5. The value of the committed project funding, and the conditional allocation from the funding source;</li> <li>6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA;</li> <li>7. Municipalities must not include previous year's unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;</li> <li>8. An indication of the time-period within which the funds are to be spent if the roll over is approved; and</li> <li>9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed.</li> </ol>	






MFMA Circular 91 Highlights	Circular section
<p><b>5.2 Unspent conditional grant funds for 2017/18</b></p> <p>The process is to ensure the return of unspent conditional grants for the 2017/18 financial year will be managed in accordance with section 22 of the DoRA. The following practical arrangements will apply:</p> <ul style="list-style-type: none"> <li>• Municipalities must submit their June 2018 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile.</li> <li>• When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2018. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately.</li> <li>• If the receiving officer wants to motivate in terms of section 22(2) of the 2017 DoRA that the unspent funds are committed to identifiable projects, the roll over application pack must be submitted to National Treasury by 31 August 2018.</li> </ul> <p><b>National Treasury will not consider any rollover requests that are incomplete or received after this deadline.</b></p> <ul style="list-style-type: none"> <li>• National Treasury will communicate the unspent conditional grants amount by 05 November 2018. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 19 November 2018.</li> <li>• Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 19 November 2018, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 03 December 2018 equitable share allocation.</li> </ul>	



MFMA Circular 91 Highlights	Circular section
<p><b>The Municipal Budget and Reporting Regulations (MBRR)</b></p> <p><b>6.1 Impact of VAT increase on tariffs</b></p> <p>VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as a result of tax legislation that municipalities must implement and not an increase of tariffs by municipalities. Section 28(6) of the MFMA is not applicable in this regard. Provincial Treasury will in due course provide clarity regarding the practicalities of implementing the VAT increase. Municipalities are in the interim advised to consult the VAT Increase Guidelines issued by the South African Revenue Service (SARS) as part of MFMA Circular 91.</p> <p><a href="http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf">http://www.sars.gov.za/AllDocs/OpsDocs/Guides/LAPD-VAT-G13%20-%20VAT%20Pocket%20Guide%20on%20the%20VAT%20rate%20increase%20on%201%20April%202018%20-%20External%20Guide.pdf</a></p> <p><b>6.2 Schedule A - version to be used for the 2018/19 MTREF</b></p> <ul style="list-style-type: none"> <li>National Treasury has released Version 6.2 of Schedule A1(Excel Formats) which is aligned to version 6.2 of the mSCOA classification framework. This version must be used by ALL municipalities when compiling their 2018/19 MTREF budget.</li> <li>Municipalities must prepare their 2018/19 MTREF budgets in their mSCOA financial systems and that the A1 schedule be produced directly from their financial systems.</li> </ul> <p><b>6.3 Assistance with the compilation of budgets</b></p> <ul style="list-style-type: none"> <li>Municipalities that experience challenges with respect to compilation of their budget must direct their enquiries to the Provincial Treasury or to National Treasury.</li> <li>If municipalities did not adhere to the Municipal Budget and Reporting Regulations, <b>they will be required to return to the municipal council and table a complete budget document aligned to the requirements of the Municipal Budget and Reporting Regulations.</b></li> <li>Municipalities with municipal entities are reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:             <ul style="list-style-type: none"> <li>An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;</li> <li>An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and</li> <li>A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.</li> </ul> </li> </ul>	<p>Section 6</p> 

MFMA Circular 91 Highlights	Circular section
<p><b>Budget process and submission for the 2018/19 MTREF</b></p> <p><b>7.1 Budgeting for the audited years on Schedule A (mSCOA)</b></p> <ul style="list-style-type: none"> <li>• Municipalities must capture the classified audit outcomes for 2014/15 to 2016/17 in version 6.2 of Schedule A when compiling their 2018/19 MTREF budgets.</li> <li>• The amalgamated municipalities must complete the 2016/17 audited years, current year (2017/18) and the 2018/19 MTREF budgets.</li> </ul> <p><b>7.2 Submitting budget documentation and schedules for 2018/19 MTREF</b></p> <p>To facilitate oversight compliance with Municipal Budget and Reporting Regulations, MUNICIPAL MANAGERS are reminded that:</p> <ul style="list-style-type: none"> <li>• Section 22(b)(i) of the MFMA requires that, immediately after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is <b>Tuesday, 03 April 2018</b>. The deadline for submission of hard copies including council resolution is <b>Friday, 06 April 2018</b>. <b>The Western Cape Provincial Treasury requires both the electronic and hard copies on the tabling day of the budget documentation.</b></li> <li>• Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is <b>Friday, 13 July 2018</b>, otherwise an earlier date applies.</li> </ul> <p>The municipal manager must submit:</p> <ul style="list-style-type: none"> <li>• The budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;</li> <li>• The draft service delivery and budget implementation plan in both printed and electronic format;</li> <li>• The draft integrated development plan;</li> <li>• The council resolution;</li> <li>• Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and</li> <li>• Schedules D specific for the entities.</li> </ul>	<p>Section 7</p> 

MFMA Circular 91 Highlights	Circular section								
<p><b>7.3 Electronic and Hard copy submissions</b></p> <ul style="list-style-type: none"> <li>Municipalities must follow the process of ensuring that their Information and Communication Technology Infrastructure can accommodate official email addresses.</li> <li>For the purpose of the implementation of mSCOA the Local Government Database requires municipalities to update their contact details and provide official email addresses instead of private accounts.</li> <li>NT electronic documents should be submitted to: <a href="mailto:lgdocuments@treasury.gov.za">lgdocuments@treasury.gov.za</a> or if the budget documentation are too large (exceeds 4 MB) via <a href="mailto:lgbigfiles@gmail.com">lgbigfiles@gmail.com</a>.</li> <li>PT electronic documents should be submitted to: <a href="mailto:MFMA.MFMA@westerncape.gov.za">MFMA.MFMA@westerncape.gov.za</a> or if too large (exceeds 3 MB) must be submitted via the lift server function (<a href="http://lift.pgwc.gov.za/">http://lift.pgwc.gov.za/</a>).</li> </ul> <p><i>How to lift:</i></p> <ol style="list-style-type: none"> <li>Go to the website: <a href="http://lift.pgwc.gov.za/">http://lift.pgwc.gov.za/</a></li> <li>Type in the email address: <a href="mailto:MFMA.MFMA@westerncape.gov.za">MFMA.MFMA@westerncape.gov.za</a></li> <li>Browse to correct file for uploading</li> <li>Press: Submit</li> </ol> <ul style="list-style-type: none"> <li>Municipalities are required to submit the signed hard copies of their budget documents and council resolutions to the following addresses:</li> </ul> <table border="0"> <tr> <td><b>National Treasury</b></td><td><b>Provincial Treasury</b></td></tr> <tr> <td>Ms Linda Kruger</td><td>Mr Paul Pienaar</td></tr> <tr> <td>40 Church Square</td><td>7 Wale Street, Room 3-50</td></tr> <tr> <td>Pretoria, 0002</td><td>Cape Town, 8000</td></tr> </table> <ul style="list-style-type: none"> <li>Metropolitan municipalities should submit the BEPP to <a href="mailto:Yasmin.coovadia@treasury.gov.za">Yasmin.coovadia@treasury.gov.za</a> or if exceeds 4 MB to <a href="mailto:Yasmin.coovadia@gmail.com">Yasmin.coovadia@gmail.com</a>. Hardcopies of the BEPP may be sent to Yasmin Coovadia, National Treasury, 3<sup>rd</sup> Floor, 40 Church Square, Pretoria, 0002 or Private Bag X115, Pretoria, 0001.</li> </ul>	<b>National Treasury</b>	<b>Provincial Treasury</b>	Ms Linda Kruger	Mr Paul Pienaar	40 Church Square	7 Wale Street, Room 3-50	Pretoria, 0002	Cape Town, 8000	Section 7
<b>National Treasury</b>	<b>Provincial Treasury</b>								
Ms Linda Kruger	Mr Paul Pienaar								
40 Church Square	7 Wale Street, Room 3-50								
Pretoria, 0002	Cape Town, 8000								



MFMA Circular 91 Highlights	Circular section
<p><b>7.4 Budget reform returns to the Local Government Database for publication</b></p> <ul style="list-style-type: none"> <li>• Municipalities are required to continue to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. All returns are to be sent to <a href="mailto:lgdatabase@treasury.gov.za">lgdatabase@treasury.gov.za</a>.</li> <li>• Municipalities must submit returns for both the draft budget and the final adopted budget as this will assist the National and provincial treasuries with the annual benchmark process. The current electronic returns may be downloaded from National Treasury's website at the following link:  <a href="http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx">http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx</a></li> <li>• The tabled and adopted budget data strings submitted to the Local Government Database and Reporting system should also be consolidated figures</li> </ul> <p><b>7.5 Upload of the mSCOA budget data strings to the LG upload portal</b></p> <p>Municipalities must upload the mSCOA data strings for the tabled (TABB) and adopted (ORGB) budget to the upload portal. The budget strings must be accompanied by the IDP project details data strings (PRTA and PROR). The deadline for submission of the MBRR documents are also applicable to the mSCOA data strings as per paragraph 7.2 above.</p> <p><b>7.6 Publication of budgets on municipal websites</b></p> <p>In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.</p> <p>All relevant documents mentioned in this circular are available on the National Treasury website:  <a href="http://mfma.treasury.gov.za/Pages/Default.aspx">http://mfma.treasury.gov.za/Pages/Default.aspx</a></p> <p>Municipalities are encouraged to visit it regularly as documents are regularly added/updated on the website.</p>	Section 7

- 5.3 The Western Cape Provincial Treasury requires the budget documents on the tabling date in order to start with the assessment process. In order to facilitate this, the Provincial Treasury will deploy officials to attend the budget tabling proceedings and collect the tabled budget documentation (inclusive of budget, IDP, SDF, budget related policies and draft SDBIP). It is important for the CFO's office to liaise with the relevant departments for the submission of documents (eg. IDP, SDFs, relevant sector plans) which is not the responsibility of the Chief Financial Officer.



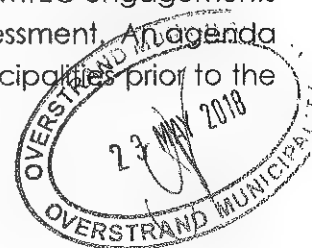
- 5.4 A designated municipal official should ensure that a set of these documents is prepared in both hard (where required) and electronic copy, except for the budget policies which are only required in electronic copy.
- 5.5 The designated official needs to co-sign the accompanying checklist (see **Appendix B**) as confirmation that the set of budget documents have been submitted.

## 6. LG MTEC ENGAGEMENTS

- 6.1 The LG MTEC engagements are proposed to take place from 24 April 2018 to 10 May 2018. The proposed Schedule of the LG MTEC engagements is attached as **Appendix C**.

Municipalities are kindly requested to confirm if the proposed LG MTEC engagement dates are suitable. In setting up the engagement dates we have had to take into account the public holidays over this period. It will be appreciated if you can confirm suitability of the proposed LG MTEC engagement date (together with the tabling date) in writing to [Tania.Bosser@westerncape.gov.za](mailto:Tania.Bosser@westerncape.gov.za) by **20 March 2018**. Your timeous feedback in this regard will greatly assist in finalising logistical arrangements and will be appreciated.

- 6.2 The discussions at the engagements will be pitched at a strategic level. Hence, the representation at the LG MTEC engagements between the Province and municipalities will be as follows:
- The Provincial Government - senior officials from the Provincial Treasury, Department of Local Government, Department of Environmental Affairs and Development Planning, the Department of the Premier and the Economic Development Partnership.
  - Municipalities - Municipal Manager, section 56 Managers, Budget and Treasury officials, IDP Manager/officials and Planning officials.
- 6.3 There will be a joint presentation by Provincial Government on key issues for discussion.
- 6.4 Municipalities will be required to make presentations at the LG MTEC engagements in response to the Provincial Government's budget and IDP assessment. An agenda and guiding template for this presentation will be sent to municipalities prior to the engagements.



## 7. DISCLOSURE AND REPORTING ON TRANSFERS AND GRANTS

- 7.1 It has been noticed that municipalities are not disclosing transfers and grant names in accordance with the gazette where the funds were initially published. This makes it difficult for transferring departments to monitor the performance of the respective allocations on a monthly basis. For an example, a municipality will disclose the WESTERN CAPE FINANCIAL MANAGEMENT SUPPORT GRANT as Financial Management Support grant (FMSG) whereas another municipality will only disclose FMSG or a municipality will combine the COMMUNITY LIBRARY SERVICES GRANT with the LIBRARY SERVICE: REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES which are two separate allocations. The current practice by municipalities makes it difficult for the respective transferring departments to monitor the monthly performance of allocations.
- 7.2 The Western Cape Provincial Treasury has developed a monitoring tool that will assist provincial transferring departments with the monitoring of provincial allocations. In order for the tool to work effectively, municipalities are requested to disclose allocation names exactly as published in the gazette(s) in tables SA18 (transfers and grants receipts) and SA19 (Expenditure on transfers and grant programme) for the 2018/19 MTREF period. A further request is for municipalities to capture all the allocations (national and provincial) in CAPITAL LETTERS to allow the seamless automation of the tool in performing the monitoring function. The correct grants names, in capital letters, as disclosed in the Annual Budget document (A-schedule) should also filter through to the C-schedule (SC6, SC7(1) and SC7(2)) on a monthly basis. Municipalities are also reminded to fully complete the supporting schedules (SC6, SC7(1) and SC7(2)) on a monthly basis to ease the monitoring function.

## 8. WAIVING OF THE CO-FUNDING REQUIREMENTS

- 8.1 As per MFMA Circular 89, the National Treasury will consider applications to waive co-funding requirements for infrastructure projects in municipalities with little or no ability to raise finance for such projects. Reprioritisations within the regional bulk infrastructure grant, water services infrastructure grant and municipal infrastructure grant will be made to fund the Bucket Eradication Programme.
- 8.2 Accounting officers will have to submit applications to transferring officers. The process has been structured this way as transferring officers must also concur that there is a case for the waiving of co-funding on a particular project. Transferring accounting officers will review the case for each project and then submit applications to National Treasury for those projects supported by the transferring departments.



## 9. COST CONTAINMENT REGULATIONS

- 9.1 National Treasury is still in the process of finalising its draft Cost Containment Regulations which aims to eliminate spending on items not aligned to basic service delivery priorities.
- 9.2 These regulations were recently published for public comment and Municipalities are reminded to submit their inputs, comments and/or proposals to National Treasury by no later than 30 March 2018. Municipalities are specifically encouraged to put forward new and innovative cost-containment proposals.
- 9.3 Although these regulations are not anticipated to be adopted before the start of the new municipal financial year, Municipalities are strongly advised to develop their own cost containment policies for implementation on 1 July 2018.

## 10. BUDGET RELATED POLICIES

- 10.1 Municipalities should as part of the preparation phase in the annual budget cycle revise its budget related policies annually. Provincial Treasury keeps record of budget policies which can, upon request, be provided to municipalities for comparative and guiding purposes.

## 11. CONCLUSION

The Provincial Government wishes you well with the preparation of your Annual Budget, IDP, SDBIP and related documents and look forward to the LG MTEC engagement with your Municipality.

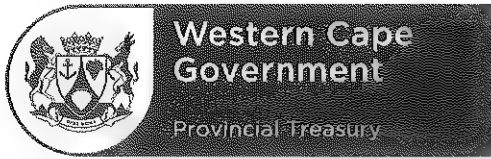
Please direct any queries regarding this circular to Dr Nabe at above specified contact details.



**MS M KORSTEN**  
**CHIEF DIRECTOR: PUBLIC POLICY SERVICES**  
**DATE: 19 March 2018**







## APPENDIX A

## CONFIRMED 2018 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	28 March 2018
Matzikama	27 March 2018
Cederberg	29 March 2018
Bergvriër	27 March 2018
Saldanha Bay	28 March 2018
Swartland	29 March 2018
West Coast District Municipality	29 March 2018
Witzenberg	28 March 2018
Drakenstein	28 March 2018
Stellenbosch	28 March 2018
Breede Valley	27 March 2018
Langeberg	27 March 2018
Cape Winelands District Municipality	28 March 2018
Theewaterskloof	28 March 2018
Overstrand	28 March 2018
Cape Agulhas	27 March 2018
Swellendam	29 March 2018
Overberg District Municipality	26 March 2018
Kannaland	29 March 2018
Hessequa	28 March 2018
Mossel Bay	29 March 2018
George	28 March 2018
Oudtshoorn	29 March 2018
Bitou	29 March 2018
Knysna	29 March 2018
Eden District Municipality	22 March 2018
Laingsburg	29 March 2018
Prince Albert	28 March 2018
Beaufort West	29 March 2018
Central Karoo District Municipality	26 March 2018







## APPENDIX B

## LG MTEC INTEGRATED PLANNING AND BUDGETING: 2018/19 CHECKLIST SUBMISSION OF TABLED BUDGET DOCUMENTATION

**MUNICIPALITY:** \_\_\_\_\_

The Budget Document as set out in Schedule A1 of the Municipal Budget and Reporting Regulations, including the main tables (A1 - A10), version 6.2 of Schedule A1 (the Excel formats) and the supporting tables (SA1 - SA38).

**Please ensure that** (as per MFMA Circular 72) **each page of the hard copy of the budget documentation** as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main tables (A1 - A10) and all the supporting tables (SA1 - SA38) and prescribed minimum narrative information that is submitted to Provincial Treasury (and National Treasury) **has been stamped and signed** by the secretariat responsible for ensuring accurate records of council decisions.

The IDP Document as set out in sections 26, 32 and 34 of the Local Government: Municipal Systems Act, No. 32 of 2000 and Regulations (MSA) and section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

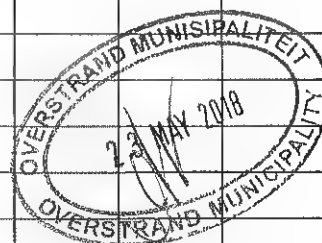
The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.



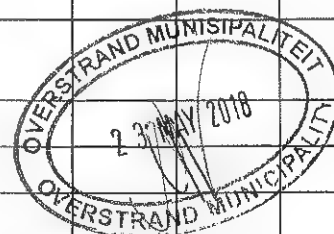
Budget Documentation	Yes	No	N/A	Yes	No	N/A
	<b>Hard Copy</b>			<b>Soft Copy (correlates with hard copy)</b>		
Council Resolution in terms of the Budget						
Draft Service Delivery and Budget Implementation Plan						
Draft Service Level Standards						
Signed Quality Certificate as prescribed in the MBRR						
<b>Prescribed Minimum Budget Narrative Information</b>	<b>Stamped and Signed Hard Copy Budget Narrative</b>			<b>Soft Copy (correlates with hard copy)</b>		
Budget Narrative						
mSCOA budget data strings uploaded to the LG upload portal	<i>Soft copies only</i>					
<b>Municipal Budget Tables: Tables A1 to A10 mSCOA Compliant Schedule A - Prepared from the mSCOA Financial System</b>	<b>Stamped and Signed Hard Copy A1 – A10</b>			<b>Soft Copy (correlates with hard copy)</b>		
Table A1: Budget Summary						
Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A2A: Budgeted Financial Performance (revenue and expenditure by standard classification)						
Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A3A: Budgeted Financial Performance (revenue and expenditure by municipal vote)						
Table A4: Budgeted Financial Performance (revenue and expenditure)						
Table A5: Budgeted Capital Expenditure (by vote, standard classification & funding source)						
Table A5A: Budgeted Capital Expenditure (by vote, standard classification & funding source)						
Table A6: Budgeted Financial Position						
Table A7: Budgeted Cash Flow						
Table A8: Cash Backed Reserves/ Accumulated Surplus Reconciliation						
Table A9: Asset Management						
Table A10: Basic Service Delivery Measurement						



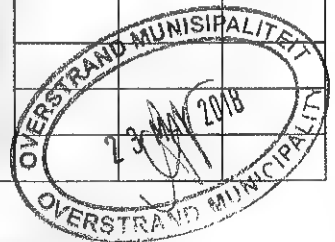
Budget Documentation	Yes	No	N/A	Yes	No	N/A
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38 mSCOA Compliant Schedule A - Prepared from the mSCOA Financial System	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA1: Supporting Detail to Budgeted Financial Performance						
SA2: Matrix Financial Performance Budget (revenue source/expenditure type and department)						
SA3: Supporting Detail to Budgeted Financial Position						
SA4: Reconciliation of IDP Strategic Objectives and Budget (revenue)						
SA5: Reconciliation of IDP Strategic Objectives and Budget (operating expenditure)						
SA6: Reconciliation of IDP Strategic Objectives and Budget (capital expenditure)						
SA7: Measurable Performance Objectives						
SA8: Performance Indicators and Benchmarks						
SA9: Social, Economic and Demographic Statistics and Assumptions						
SA10: Funding Measurement						
SA11: Property Rates Summary						
SA12a: Property Rates by Category (current year)						
SA12b: Property Rates by Category (budget year)						
SA13a: Service Tariffs by Category						
SA13b: Service Tariffs by Category (explanatory)						
SA 14: Household Bills						
SA15: Investment Particulars by Type						
SA16: Investment Particulars by Type						
SA17: Borrowing						
SA18: Transfers and Grant Receipts						
SA19: Expenditure on Transfers and Grant Programme						
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds						



Budget Documentation	Yes	No	N/A	Yes	No	N/A
Municipal Budget Supporting Tables: Supporting Tables SA1 to SA38 mSCOA Compliant Schedule A - Prepared from the mSCOA Financial System (contd)	Stamped and Signed Hard Copy SA1 – SA38			Soft Copy (correlates with hard copy)		
SA21: Transfers and Grants made by the Municipality						
SA22: Summary Councillor and Staff Benefits						
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)						
SA24: Summary of Personnel Numbers						
SA25: Budgeted Monthly Revenue and Expenditure						
SA26: Budgeted Monthly Revenue and Expenditure (municipal vote)						
SA27: Budgeted Monthly Revenue and Expenditure (standard classification)						
SA28: Budgeted Monthly Capital Expenditure (municipal vote)						
SA29: Budgeted Monthly Capital Expenditure (standard classification)						
SA30: Budgeted Monthly Cash Flow						
SA31: Aggregated Entity Budget (where applicable)						
SA32: List of External Mechanisms						
SA33: Contracts having Future Budgetary Implications						
SA34a: Capital Expenditure on New Assets by Asset Class						
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class						
SA34c: Repairs and Maintenance Expenditure by Asset Class						
SA34d: Depreciation by Asset Class						
SA34e: Upgrading of Existing Infrastructure						
SA35: Future Financial Implications of the Capital Budget						
SA36: Detail Capital Budget						
SA37: Projects Delayed from Previous Financial Years						
SA38: Consolidated Detail Operational Projects						



Budget Documentation	Yes	No	N/A	Yes	No	N/A
<b>Budget Related Policies</b>	<b>Hard copies</b>			<b>Soft Copy (correlates with hard copy)</b>		
Information on any amendments to budget related policies						
Suite of budget related policies	Soft copies only					
<b>IDP and Related Documentation</b>	<b>Hard copies</b>			<b>Soft Copy (correlates with hard copy)</b>		
Council Resolution in terms of the IDP						
Draft Integrated Development Plan						
Process Plan/Time schedule according to section 29) of the MSA read in conjunction with section 21(b) of the MFMA						
Spatial Development Framework	Soft copies only					
Council Resolution in terms of the adoption of the <i>Spatial Development Framework</i>						
Applicable Disaster Management Plan						
Council Resolution in terms of the adoption of the <i>Disaster Management Framework</i>						
Integrated Waste Management Plan						
Air Quality Management Plan						
Coastal Management Plan (Coastal municipalities only)						
Human Settlement Plan						
Local Economic Development Strategy						
Water Services Development Plan						
Storm Water Master Plan						
Integrated Transport Plan						
Electricity Master Plan						
Infrastructure Growth Plan						
Workplace Skills Plan						

**MUNICIPAL REPRESENTATIVE****PROVINCIAL REPRESENTATIVE**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_







## APPENDIX C

## 2018 PROPOSED LG MTEC BUDGET AND IDP VISITATION SCHEDULE

GROUP 1			
REGION	MUNICIPALITY	DAY OF VISIT	TIME
CoCT	CITY OF CAPE TOWN	24 April 2018, Tuesday	09:00-12:00
NO SCHEDULED ENGAGEMENTS		25 April 2018, Wednesday	
WCD	SALDANHA BAY	26 April 2018, Thursday	09:00-12:00
WCD	SWARTLAND	26 April 2018, Thursday	14:00-17:00
FREEDOM DAY		27 April 2018, Friday	
		28 April 2018, Saturday	
		29 April 2018, Sunday	
NO SCHEDULED ENGAGEMENTS		30 April 2018, Monday	
WORKERS DAY		01 May 2018, Tuesday	
OD	OVERSTRAND	02 May 2018, Wednesday	09:00-12:00
OD	THEEWATERSKLOOF	02 May 2018, Wednesday	14:00-17:00
OD	CAPE AGULHAS	03 May 2018, Thursday	09:00-12:00
OD	OVERBERG DISTRICT	03 May 2018, Thursday	13:30-16:30
CWD	DRAKENSTEIN	04 May 2018, Friday	09:00-12:00
CWD	STELLENBOSCH	04 May 2018, Friday	14:00-17:00
		05 May 2018, Saturday	
		06 May 2018, Sunday	
ED	BITOU	07 May 2018, Monday	14:00-17:00
ED	KNYSNA	08 May 2018, Tuesday	09:00-12:00
ED	EDEN DISTRICT	08 May 2018, Tuesday	15:30-17:30
ED	GEORGE	09 May 2018, Wednesday	09:00-12:00
ED	MOSSEL BAY	09 May 2018, Wednesday	14:00-17:00
ED	HESSEQUA	10 May 2018, Thursday	09:00-12:00

GROUP 2			
REGION	MUNICIPALITY	DAY OF VISIT	TIME
NO SCHEDULED ENGAGEMENTS		24 April 2018, Tuesday	
WCD	WEST COAST DISTRICT	25 April 2018, Wednesday	09:00-11:00
WCD	BERGRIVIER	25 April 2018, Wednesday	14:00-17:00
WCD	MATZIKAMA	26 April 2018, Thursday	09:00-12:00
WCD	CEDERBERG	26 April 2018, Thursday	14:00-17:00
FREEDOM DAY		27 April 2018, Friday	
		28 April 2018, Saturday	
		29 April 2018, Sunday	
NO SCHEDULED ENGAGEMENTS		30 April 2018, Monday	
WORKERS DAY		01 May 2018, Tuesday	
CWD	LANGEBERG	02 May 2018, Wednesday	09:00-12:00
CWD	CAPE WINELANDS DISTRICT	02 May 2018, Wednesday	14:00-17:00
CWD	WITZENBERG	03 May 2018, Thursday	09:00-12:00
CWD	BREEDE VALLEY	03 May 2018, Thursday	14:00-17:00
OD	SWELLENDAM	04 May 2018, Friday	10:30-13:30
		05 May 2018, Saturday	
		06 May 2018, Sunday	
ED	KANNALAND	07 May 2018, Monday	14:00-17:00
ED	ODTSHOORN	08 May 2018, Tuesday	08:30-11:00
CKD	BEAUFORT WEST	08 May 2018, Tuesday	14:00-17:00
CKD	CENTRAL KAROO DISTRICT	09 May 2018, Wednesday	08:30-11:00
CKD	PRINCE ALBERT	09 May 2018, Wednesday	14:00-17:00
CKD	LAINGSBURG	10 May 2018, Thursday	09:00-13:00







# NATIONAL TREASURY

MFMA Circular No. 82

Municipal Finance Management Act No. 56 of 2003

## Cost Containment Measures (updated November 2016)

### Purpose

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of this Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

### Background

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- Curtailment of overseas trips;
- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting permission to travel either locally or abroad: i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;
- The institutionalization of further restrictions on conferences, catering, entertainment and social functions.

In reinforcing the above, the Minister of Finance also announced further cost containment measures in his budget speech on 24 February 2016, and urged Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure in



government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments.

Municipalities must make clear and quantified commitments in this regard when tabling their upcoming budgets, and to reference these commitments when submitting budget documentation to the National and Provincial Treasuries, as required by the MFMA.

**Annexure A** of this circular presents cost containment measures that accounting officers and chief finance officers must consider in order to contain operational costs and eliminate non-essential expenditure. In addition, municipalities are advised to refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending. (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx> ).

### Enforcement of cost containment measures

SALGA recently expressed concern over the lack of enforcement of such measures and municipal councils are herewith reminded of Section 171(1) of the MFMA whereby the accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of the Act, or fails to comply with a duty imposed by the Act on the accounting officer of the municipality.

Failure to fulfill the duty outlined in section 62(1) (a) of the MFMA may result in the accounting officer committing an act of financial misconduct and that disciplinary or criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15. The accounting officer also has a duty to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.

In addition, section 167 of the MFMA provides that a municipality may only remunerate its office bearers within the parameters set out in that section. In particular, sub-section 167(2) provides that any benefit paid that is outside the parameters set out in subsection (1) is irregular expenditure and must be recovered from the political office-bearer concerned.

Details of precisely what a municipality may pay or remunerate its political office bearers are set out in the Notices issued in terms of the Political Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs.

Municipalities are reminded that the National Treasury will soon be conducting municipal budget benchmark engagements with non-delegated municipalities during which all municipal budgets will be assessed against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.

Consideration has been given to the lack of enforcement measures and therefore it is envisaged that regulations will be issued to align these measures with financial misconduct regulations. Disclosure of cost containment measures applied by the municipality and entity must be included in the Municipal Budget and Annual Report. Measures implemented and regular reports must be submitted to the Municipal Public



Accounts Committee for review and recommendations to Council on additional measures to be taken.

The contents of this Circular has been shared with the office of the Auditor-General for their application, scrutiny and assessment.

## Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. It is recommended that:

- Municipalities adopt this Circular together with their annual budgets;
- Municipalities are advised to review other finance related policies to ensure consistency with this Circular;
- Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures;
- Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.

Any queries relating to municipalities preparation of municipal budgets in line with the cost containment measures should be directed to the respective National or Provincial Treasury official responsible for monitoring the municipality's budget. The names of these officials can be obtained from MFMA Circular 79 and / or other related MFMA Circulars. This Circular must be tabled before the municipal council for adoption together with the 2016/17 MTREF budget.

Issued on behalf of:

Maliqeng Ngqaleni  
Intergovernmental Relations

Kenneth Brown  
Chief Procurement Officer

Jayce Nair  
Acting Accountant-General

## Contact



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**TV PILLAY**  
**CHIEF DIRECTOR: MFMA IMPLEMENTATION**  
**30 MARCH 2016**



## Annexure A – Cost Containment Measures

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on the following focus areas among others; engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.

It is prudent that Municipalities consider consultation with its employees and through public participation to obtain input and consideration from affected stakeholders such as communities, ratepayers, businesses, and so on which may prove to be beneficial when facilitating the implementation of cost containment policies and actions.

Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to management and council on progress on a regular basis. The internal audit unit of municipalities must be copied with such reports.

### 1. Engagement of Consultants

- Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.
- Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.
- Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those:
  - determined in the "Guidelines on fees for audits done on behalf of the Auditor-General South Africa", issued by the South African Institute of Chartered Accountants (SAICA);
  - set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or
  - Prescribed by the body regulating the profession of the consultant.
- Ensure an exacting "specification" of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored.
- Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.
- It is mandatory that accounting officers of municipalities and municipal entities conclude on the best "value for money", i.e. matching fees against quality and against benchmarked practices.
- Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates.
- Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel & subsistence costs.

- If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions:
  - a) Hotel accommodation may not exceed the amount mentioned in this Circular;
  - b) Only economy class air tickets may be purchased for flights;
  - c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular;
  - d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.
- Municipalities are urged to develop consultancy reduction plans.
- Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy.

## 2. Travel and subsistence

The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.

### Net and Non-Commissionable Rates

All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed & Breakfast establishments.

### Rebates, Overrides, Volume based income

In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.

#### 2.1 National Travel Policy

The National Treasury will issue a National Travel Policy framework during December 2016.

([http://ocpo.treasury.gov.za/Buyers\\_Area/Legislation/Pages/default.aspx](http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx))

#### 2.2 Air Travel

- The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel).
- For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business



Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.

- For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.
- Treasury entered into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016. This has been extended by a further six months. .
- The premise of "Best Fare on the Day" should be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Municipalities must also request quotations from other Low Cost Carriers. Please note that all discounted rates are subject to class availability.
- In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal codes as detailed in Annexure B.
- Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.
- Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes.
- Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel.


### 2.3 Domestic Hotel Accommodation

National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities should find options that are equal to or lower than the rates in Table 1, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.





Table 1: Rates set for Domestic Hotel Accommodation

Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
<b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 580	R 710	R 855
2 Star	R 900	R 1 030	R 1 230
3 Star	R 1 100	R 1 200	R 1 400
4 Star	R 1 250	R 1 350	R 1 550
5 Star	R 2 100	R 2 200	R 2 500
<b>Bed &amp; Breakfast, Country House or Guest house</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 300	R 450	R 630
2 Star	R 500	R 650	R 830
3 Star	R 900	R 1 050	R 1 230
4 Star	R 1 000	R 1 150	R 1 330
5 Star	R 1 200	R 1 350	R 1 530
<b>Self-Catering*</b>			
	BAND 1	BAND 2	BAND 3
1 Star	R 580		
2 Star	R 900		
3 Star	R 1 100		
4 Star	R 1 250		
5 Star	R 1 450		
<b>Meals**</b>			
	BAND 1	BAND 2	BAND 3
Breakfast	R 120	R -	R -
Lunch	R 150	R 150	R 150
Dinner	R 150	R 150	R -
<b>Total</b>	<b>R 420</b>	<b>R 300</b>	<b>R 150</b>

Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.

\*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.

Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.

\*\*Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.

- If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated at a four star establishment if the rate at the four star establishment is the same as or lower than a three star establishment.

- Where there is an alternative star grading indicated in **Table 1** (i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
  - a. the higher star graded facility is the only available option due to location and availability; or
  - b. the municipality or municipal entity has negotiated lower rates with the higher star graded facility.
- Accounting officers must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 500 kilometres to and from the destination (return journey).

## 2.4 Vehicle Hire

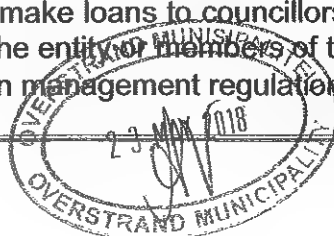
- Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles;
- Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle.
- Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services.
- Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of hired vehicles if such an up-grade is offered for free or at a lower charge than Group B.
- Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme.

## 3 Credit Cards

The use of credit and debit cards was addressed in an earlier MFMA Circular.

A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:

- contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed;
- contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure;
- contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget;
- non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public;
- non-compliance with the supply chain management regulations; and



- undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.

While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.

Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.

#### 4 Catering costs

- Do not incur catering expenses for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such lasts for five (5) continuous hours or more:
  - a) The hosting of conferences, workshops, courses, forums, recruitment interviews, training courses, hearings;
  - b) Meetings related to commissions or committees of inquiry; or
  - c) Meetings hosted by municipal councils and the board of directors of municipal entities, including governance committee meetings.
- Ensure that entertainment allowances of qualifying officials do not exceed two thousand rand (R2 000) per person per financial year. The National Treasury may periodically review this amount.
- Do not incur expenses on alcoholic beverages.
- Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors.
- Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either:
  - (a) proceeding on retirement due to ill health; or
  - (b) proceeding on retirement after reaching the qualifying age limit of a minimum of ten (10) or more years working for the public service.
- Accounting officers and accounting authorities may **not** host farewell functions for employees who have:
  - (a) been dismissed;
  - (b) elected to resign or leave by accepting severance packages; or
  - (c) Approached the end of their contractual term.

#### 5 Events, advertising and sponsorships

- Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration.



- Memorabilia, gifts and other novelties should be of token value only and should only be offered by municipalities and municipal entities in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community.
- Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors.

## **6 Conferences, meetings, study tours, etc.**

- Employees of municipalities and municipal entities may attend conferences hosted by professional bodies or non-governmental institutions (external conferences) held within the borders of South Africa provided that expenses related to their attendance do not exceed two thousand five hundred rand (R2 500) per person per day. In instances where the cost exceeds this amount, officials must obtain prior approval from the accounting officer. The number of municipal officials attending such conferences and workshops must be limited, see below. The National Treasury may periodically review this amount.
- Employees must make every effort to take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference as it relates to their area of work. No late registration is acceptable.
- Conferences abroad must be limited to its ultimate minimum or none at all.
- Utilise municipal and/or provincial office facilities for conferences, meetings, strategic planning sessions etc. where an appropriate venue exists within the municipal jurisdiction.
- Limit or stop overseas trips and the delegations going on such trips unless a tangible and clear benefit to the local community and performance of essential service provision can be established beforehand.
- The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.
- Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.

## **7 Office furnishing**

- Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged.
- Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment.

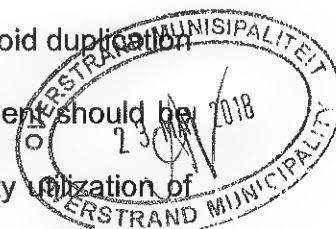


## 8 Staff study, perks and suspension costs

- Training attended by employees and councillors of municipalities and municipal entities may only be attended at pre-approved service providers to ensure sufficient quality of training and obtain value for money.
- Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped.
- Encourage staff to take time off to make up for overtime worked.
- Planned overtime must be submitted to management for consideration on a monthly basis.
- Unplanned overtime worked must be motivated and approved by management.
- Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated.
- Constant management of staff, improvements in productivity levels and feedback must be provided to all staff.

## 9 Cost containment on other related expenditure items

- Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated.
- Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speakers Office. Approval for security measures must be informed by such reports, if paid for from municipal funds. The use of metropolitan traffic officers for such purposes should be avoided.
- Municipal funds may not be used to fund election campaign activities, including the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies.
- Printing of documents should carefully considered be back-to-back and use of colour printing for graphs only, while use of electronic means should be preferred.
- Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount.
- Every effort must be made to recover debt from consumers before write-off. Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection.
- Ensure synergy between municipal divisions or departments to avoid duplication of processes and efforts.
- Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones.
- Labour saving devices should be shared to optimize the capacity utilization of each device.
- Purchasing of newspapers and other publications for municipal employees to limited and stopped.
- Municipalities should ensure that awareness is raised with municipal staff so that a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use.



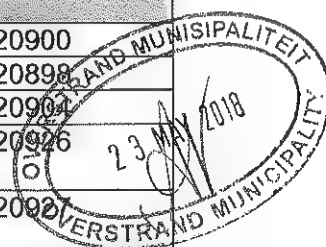
- All other cost containment measures introduced by council are also encouraged and supported.



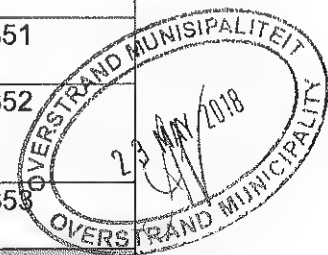
**Annexure B: BA/COMAIR and SAA Deal Codes per Municipality**

Municipalities and municipal entities should use the following codes when requesting quotes from BA/COMAIR.

<b>MUNICIPALITIES</b>	
<b>NAME</b>	<b>DEAL CODE</b>
<b>EASTERN CAPE</b>	
<b>Alfred Nzo District Municipality</b> Matatiele, Mbizana, Ntabankulu and uMzimvubu	1020907
<b>Amathole District Municipality</b> Amahlathi, Mnquma, Ngqushwa, Raymond Mhlaba, Mbashe and Great Kei,	1020906
<b>Buffalo City Metropolitan Municipality</b>	1020901
<b>Chris Hani District Municipality</b> Emalahleni, Engcobo, Intsika, Inxuba, Sakhisizwe and Enoch Mgijima	1020908
<b>Joe Gqabi District Municipality</b> Elundini, Walter Sisulu and Senqu	1020909
<b>Nelson Mandela Bay Metropolitan Municipality</b>	1020899
<b>OR Tambo District Municipality</b> Ingquza Hill, King Sabata Dalindyebo, Mhlontlo, Nyandeni and Port St Johns	1020903
<b>Sarah Baartman District Municipality</b> Dr Beyers Naudé, Blue Crane Route, Makana, Ndlambe, Sundays River Valley, Kouga and Kou-kamma	1020921
<b>FREE STATE</b>	
<b>Fezile Dabi District Municipality</b> Mafube, Moqhaka, Metsimaholo and Ngwathe	1020922
<b>Lejweleputswa Distric Municipality</b> Masilonyana, Matjhabeng, Nala, Tokologo and Tswelopele	1020923
<b>Mangaung Metropolitan</b>	1020923
<b>Thabo Mafutsanyana District</b> Dihlabeng, Maluti - a- Phofung, Mantsopa, Nketoana, Phumelela and Setsoto	1020924
<b>Xhariep District</b> Kopanong, Letsemeng and Mohokare	1020925
<b>GAUTENG</b>	
<b>City of Johannesburg Metropolitan</b>	1020900
<b>City of Tshwane Metropolitan</b>	1020898
<b>Ekurhuleni Metropolitan</b>	1020904
<b>Sedibeng District</b> Emfuleni, Lesedi and Midvaal	1020926
<b>West Rand District</b> Merafong, Mogale City, Rand West	1020902
<b>KWAZULU-NATAL</b>	
<b>eThekweni Metropolitan</b>	1008810
<b>iLembe District Municipality</b> KwaDukuza, Mandeni, Maphumulo and Ndwedwe	1020929
<b>Harry Gwala District Municipality</b> Greater Kokstad, Uhlebezwe, Umzimkhulu and Dr Nkosazana Dlamini Zuma	1020835



<b>MUNICIPALITIES</b>	
<b>NAME</b>	<b>DEAL CODE</b>
<b>Ugu District Municipality</b> uMdoni, Umzumbe, uMuziwabantu and Ray Nkonyeni	1020836
<b>uMgungundlovu District Municipality KZN</b> uMshwathi, uMngeni, Mpofana, Impendle, Msunduzi, Mkhambathini and Richmond	1020837
<b>uMkhanyakude District Municipality KZN</b> Umhlabuyalingana, Jozini, Mtubatuba and Big Five Hlabisa	1020838
<b>uMzinyathi District Municipality KZN</b> Endumeni, Nquthu, Msinga, Umvoti	1020839
<b>uThukela District Municipality</b> Okhahlamba, iNkosi Langelibalele and Alfred Duma	1020840
<b>King Cetshwayo district Municipality</b> uMfolozi, uMhlathuze, uMlalazi, Mthonjaneni and Nkandla	1020841
<b>Zululand District Municipality KZN</b> eDumbe, uPhongolo, Abaqulusi, Nongoma and Ulundi	1020842
<b>LIMPOPO</b>	
<b>Capricon District Municipality</b> Blouberg, Lepelle-Nkumpi, Molemole and Polokwane	1020843
<b>Mopani District Municipality</b> Ba-Phalaborwa, Greater Giyani, Greater Letaba, Greater Tzaneen and Maruleng	1020844
<b>Sekhukhune District Municipality LM</b> Ephraim Mogale, Elias Motsoaledi, Makhuduthamaga and LIM476	1020845
<b>Vhembe District Municipality LM</b> Musina, Thulamela, Makhado and LIM345	1020846
<b>Waterberg District Municipality</b> Thabazimbi, Lephalale, Bela Bela, Mogalakwena and LIM 368	1020847
<b>MPUMALANGA</b>	
<b>Ehlanzeni District Municipality</b> Thaba Chweu, Nkomazi, Bushbuckridge and City of Mbombela	1020902
<b>Gert Sibande District</b> Albert Luthuli, Dipaleseng, Govan Mbeki, Lekwa, Mkhondo, Msukaligwa and Pixley Ka Isaka Seme	1020848
<b>Nkangala District</b> Dr JS Moroka, Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani and Victor Khanye	1020849
<b>NORTH WEST</b>	
<b>Bojanala Platinum District</b> Kgetlengrивer, Madibeng, Moretele, Moses Kotane and Rustenburg	1020850
<b>Dr Kenneth Kaunda District Municipality</b> City of Matlosana, Maquassi and NW405	1020851
<b>Dr Ruth Segomotsi Mompati District Municipality</b> Greater Taung, Kagisano-Molopo, Lekwa-Teemane, Mamusa and Naledi	1020852
<b>Ngaka Modiri Molema District Municipality</b> Ditsobotla, Mahikeng, Ramotshere, Ratlou and Tswaing	1020853
<b>NORTHERN CAPE</b>	
<b>John Taolo Gaetsewe</b> Ga-Segonyana, Joe Morolong and Gamagara	1020909
<b>Namakwa</b>	1020856





MUNICIPALITIES	
NAME	DEAL CODE
Hantam, Kamiesberg, Karoo Hoogland, Khai-Ma, Nama Khoi and Richtersveld	
<b>Pixley Ka Seme</b> Emthanjeni, Kareeberg, Renosterberg, Siyancuma, Siyathemba, Thembelihle, Ubuntu and Umsobomvu	1020857
<b>ZF Mgcawu</b> !Kai! Garib, !Kheis, Tsantsabane, Kgatelopele and Dawid Kruiper	1020858
<b>WESTERN CAPE</b>	
<b>Cape Winelands District Municipality</b> Witzenberg, Drakenstein, Stellenbosch, Breede Valley and Langeberg	1020859
<b>Central Karoo District Municipality</b> Beaufort West, Laingsburg and Prince Albert	1020859
<b>City of Cape Town Metro</b>	1008771
<b>Eden District Municipality</b> Bitou, George, Hessequa, Kannaland, Kynsna, Mossel Bay and Oudtshoorn	1020861
<b>Overberg District Municipality</b> Cape Agulhas, Overstrand, Swellendam and Theewaterskloof	1020862
<b>West Coast District Municipality</b> Bergrivier, Cederberg, Matzikama, Swartland and Saldanha Bay	1020863

Municipalities and municipal entities not listed above should use the following details to contact BA/Comair to obtain a deal code:

#### Contact Details

Nangamso Letlape: National Account Manager: Government  
[Nan.letlape@comair.co.za](mailto:Nan.letlape@comair.co.za)

Municipalities and municipal entities should use the following deal code when requesting quotations from SAA: CK3828. In order to arrange access to the deal codes, travel management companies servicing municipalities and municipal entities should contact the following SAA representatives:

#### Contact Details

Eastern Cape: Tracy Mentzel ([tracymentzel@flysaa.com](mailto:tracymentzel@flysaa.com))  
 Western Cape: Enid Sinequan ([enidsinequan@flysaa.com](mailto:enidsinequan@flysaa.com))  
 KwaZulu-Natal: Kriba Govender ([kribagovender@flysaa.com](mailto:kribagovender@flysaa.com))  
 All other provinces: Mark Steele ([marksteele@flysaa.com](mailto:marksteele@flysaa.com))







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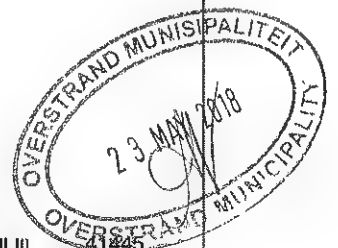
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## NATIONAL TREASURY

NO. 120

16 FEBRUARY 2018

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 - MUNICIPAL COST CONTAINMENT REGULATIONS**

In terms of section 169(1)(b) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), draft regulations intended to be made in terms of section 168(1)(b) and (p) of that Act, as set out in Part A of the Schedule, are hereby published for public comment.

An explanatory memorandum regarding the draft regulations is in Part B of the Schedule.

All comment received by 30 March 2018 will be considered and should be emailed to MFMA@treasury.gov.za or faxed to 012 316 6230.

## SCHEDULE

**PART A**  
**DRAFT MUNICIPAL COST CONTAINMENT REGULATIONS**  
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2. Object of Regulations
3. Application of Regulations
4. Cost containment policies
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12. Conferences, meetings and study tours
13. Other related expenditure items
14. Enforcement procedures
15. Disclosures of cost containment measures
16. Short title and commencement

**Definitions**

1. In these Regulations, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and—

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

"cost containment" means measures implemented to curtail spending in terms of these regulations; and

"credit card" means a card issued by a financial service provider, which creates a revolving account and grants a line of credit to the cardholder.



**Object of Regulations**

2. The object of these Regulations, in line with section 62(1)(a), 78(1)(b), 95(a) and 105(1)(b) of the Act, is to ensure that resources of a municipality and municipal entity are used effectively, efficiently and economically by implementing cost containment measures.

**Application of Regulations**

3. These Regulations apply to all municipalities and municipal entities.

**Cost containment policies**

4. (1) Each municipality and municipal entity must revise or develop and implement a cost containment policy which must—
- (a) in the case of a municipality, be adopted by the municipal council, and in the case of a municipal entity, by the board of directors as part of its budget related policies; and
  - (b) be consistent with the Act and these Regulations.
- (2) The cost containment policy of a municipality or a municipal entity contemplated in sub-regulation (1) must—
- (a) be in writing;
  - (b) give effect to these Regulations;
  - (c) be reviewed annually, as may be appropriate;
  - (d) be communicated on the municipality's or municipal entity's website; and
  - (e) set out—
    - (i) measures for ensuring implementation of the policy;
    - (ii) procedures for the annual review of the policy; and
    - (iii) consequences for non-adherence to the measures contained therein.

**Use of consultants**

5. (1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full time employ to perform the function.
- (2) An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates—
- (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
  - (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration;
  - (c) as prescribed by the body regulating the profession of the consultant.
- (3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub-regulation (2).
- (4) When negotiating cost-effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market-determined rates.
- (5) When consultants are appointed, an accounting officer must—
- (a) appoint consultants on a time and cost basis with specific start and end dates;
  - (b) where practical, appoint consultants on an output-specified basis, subject to a clear specification of deliverables and associated remuneration;
  - (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
  - (d) develop consultancy reduction plans; and
  - (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations and the municipality's Supply Chain Management policy.



- (6) All contracts with consultants must include fee retention or penalty clause for poor performance.
- (7) A municipality or municipal entity must ensure that the specifications and performance, are used as a monitoring tool for the work to be undertaken and is appropriately recorded and monitored.
- (8) The travel and subsistence costs of consultants must be in accordance with the travel policy issued by the National Department of Transport, as updated from time to time.
- (9) The contract price must specify all travel and subsistence cost and, if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the abovementioned travel policy of the National Department of Transport.

#### **Vehicles used for political office-bearers**

- 6. (1) The threshold limit for vehicle purchases relating to official use by political office-bearers may not exceed R700 000 or 70% of the total annual remuneration package for different grades, whichever is greater.
- (2) The procurement of vehicles must be undertaken using the national government transversal contract mechanism.
- (3) If any other procurement process is used, the cost may not exceed the threshold set out in sub-regulation (1).
- (4) Before deciding on another procurement process as contemplated in sub-regulation (3), the chief financial officer must provide the council with information relating to the following criteria which must be considered:
  - (a) status of current vehicles;
  - (b) affordability;
  - (c) extent of service delivery backlogs;
  - (d) terrain for effective usage of vehicle; and
  - (e) any other policy of council.
- (5) Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.
- (6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace vehicles for official use by public office bearers before completion of one hundred and twenty thousand kilometres only in instances where the vehicle experiences serious mechanical problem and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

#### **Travel and subsistence**

- 7. (1) An accounting officer—
  - (a) may only approve purchase of economy class tickets for officials where the flying time for the flights is five hours or less; and
  - (b) for flights exceeding five hours, may purchase business class tickets only for accounting officers, and persons reporting directly to accounting officers.
- (2) Notwithstanding sub-regulation (1), an accounting officer may approve the purchase of business class tickets for officials with disabilities.
- (3) The cost containment policy must limit international travel to meetings or events that are considered critical. The number of officials attending such meetings or events must be limited to those officials directly involved in the subject matter related to such meetings or events.
- (4) An accounting officer may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury only—
  - (a) during peak holiday periods; or
  - (b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in that particular geographical area.
- (5) Officials of a municipality or municipal entity must—
  - (a) utilise the municipal fleet, where viable, before incurring costs to hire vehicles;



- (b) make use of shuttle service if the cost of such a service is lower than-
    - (i) the cost of hiring a vehicle;
    - (ii) the cost of kilometres claimable by the employee; and
    - (iii) the cost of parking.
  - (c) not hire vehicles from a category higher than Group B or an equivalent class; and
  - (d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.
- (8) Municipalities and municipal entities must utilise the negotiated rates for flights and accommodation, communicated by the National Treasury, from time to time, or any other available cheaper flight and accommodation.

#### Domestic accommodation

8. An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by the National Treasury, from time to time.

#### Credit cards

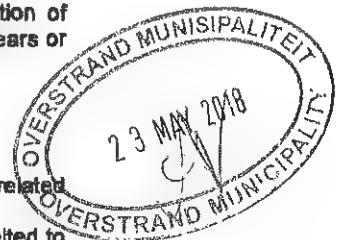
9. (1) An accounting officer must ensure that no credit card or debit card linked to a bank account of a municipality or a municipal entity is issued to any official or public office bearer, including members of the board of directors of municipal entities.
- (2) Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials or public office bearers must use their personal credit cards or cash or arrangements made by the municipality or municipal entity, and request reimbursement from the municipality or municipal entity in accordance with the relevant municipality or municipal entity's policy and processes.

#### Sponsorships, events and catering

10. (1) A Municipality or municipal entity may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality or municipal entity, unless the prior written approval of the accounting officer is obtained.
- (2) An accounting officer may incur catering expenses for hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
- (3) Entertainment allowances of officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
- (4) An accounting officer may not incur expenses on alcoholic beverages.
- (5) An accounting officer must ensure that social functions, team building exercises, year-end functions, sporting events, budget vote dinners and other functions that have a social element are not financed from the municipality or municipal entity's budgets or by any suppliers or sponsors.
- (6) A municipality or municipal entity may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless costs related thereto are recovered from affected officials.
- (7) An accounting officer may incur expenditure to host farewell functions in recognition of officials who retire after serving the municipality or municipal entity for ten or more years or retire on grounds of ill health, not exceeding the limits for petty cash usage.

#### Communication

11. (1) A Municipality or municipal entity must, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- (2) An accounting officer must ensure that allowances to officials for private calls are limited to an amount as determined by the accounting officer in the cost containment policy of the municipality or municipal entity.



- (3) Newspapers and other related publication for the use of officials must be discontinued on expiry of existing contracts or supply orders.
- (4) A municipality or municipal entity must participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

#### Conferences, meetings and study tours

12. (1) An accounting officer must establish policies and procedures to manage application by officials to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
- (2) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
- (3) Such benchmark costs may not exceed an amount as determined by the National Treasury.
- (4) When considering applications from officials to attend conferences or events within and outside the borders of South Africa, an accounting officer must take the following into account—
  - (a) the official's role and responsibilities and the anticipated benefits of the conference or event;
  - (b) whether the conference or event addresses relevant concerns of the institution;
  - (c) the appropriate number of officials, not exceeding three officials, attending the conference or event; and
  - (d) availability of funds to meet expenses related to the conference or event.
- (5) The amount referred to in sub-regulation (3) above excludes costs related to travel, accommodation and related expenses, but includes—
  - (a) conference or event registration expenses; and
  - (b) any other expense incurred in relation to the conference or event.
- (6) When considering costs for conferences or events these may not include items, such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
- (7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail use of municipal funds are, as far as may be practically possible, held in-house.
- (8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, inter alia, where an appropriate venue exists within the municipal jurisdiction.
- (9) An accounting officer may consider granting approval, as contemplated in sub-regulation (4), for officials, and in the case of Councillors, the Mayor.
- (10) A municipality or municipal entity must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

#### Other related expenditure items

13. (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be procured through that transversal contract before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- (2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during election periods.

#### Enforcement Procedures

14. Failure to implement or comply with these Regulations may result in any official of the municipality or municipal entity, political office bearer or director of the board that authorised or incurred any expenditure contrary to these regulations being held liable for financial misconduct





as set out in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

**Disclosures of cost containment measures**

15. (1) The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
- (2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings, on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- (3) Such reports must be copied to the National Treasury and relevant Provincial Treasuries within seven calendar days after the report is submitted to Municipal Council.

**Short title and commencement**

16. These Regulations are called the Municipal Cost Containment Regulations, 2018 and take effect on 01 July 2018.



## PART B

**EXPLANATORY MEMORANDUM ON DRAFT COST CONTAINMENT REGULATIONS INTENDED  
TO BE MADE IN TERMS OF LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT  
ACT, 2003**

The wider implementation of the Local Government: Municipal Finance Management Act, 2003 (MFMA) in all municipalities and entities is an important element in the roll out strategy to modernise and improve financial management in local government. Linked to this strategy are the fundamental principles of effective and efficient utilisation of public resources in a transparent and accountable manner.

Despite the provisions in the MFMA and the reforms developed over the last 13 years to support the implementation of the MFMA, municipalities and municipal entities continue to spend public funds and municipal resources on non-priority items. More often than not this results in a diversion of public funds from core service delivery to other expenditures resulting in dissatisfaction by communities and delays in service delivery.

Government has therefore committed in the Medium Term Strategic Framework for 2014 – 2019 to urgently implement cost saving measures across all three spheres of government to assist in re-prioritizing expenditure and free up resources that can be targeted towards service delivery. These measures introduced are also intended to eliminate wastage of public resources on non-service delivery items. This will be undertaken through advocacy, strengthening the legal and policy prescripts and frameworks aimed at cost containment and ensuring the implementation thereof by municipalities and municipal entities.

The Minister of Finance has also pronounced during the February 2016 Budget Speech and the October 2016 Medium Term Budget Policy Statement that the National Treasury will issue regulations on cost containment measures for local government. The initial cost containment measures were introduced through MFMA Circular. Additional measures will also be taken to ensure a transparent tendering system by ensuring that value for money is attained through the revised procurement process. Similar measures have also been introduced in national and provincial government in terms of the Public Finance Management Act 1 of 1999.

Over the last 4 to 5 years, the Auditor-General's General Report on Local Government Audit Outcomes highlighted the extent of wastage of public resources. This was also observed through various publications in the print media and other government publications. Weak governance as well as the significant increase in the number of municipalities incurring unauthorised, irregular as well as fruitless and wasteful expenditure, were also highlighted as areas of concern.

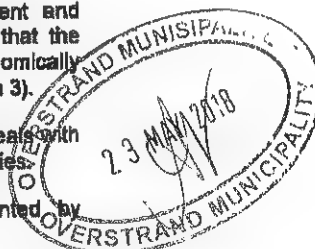
Building on the MFMA Circular, the National Treasury in association with other stakeholders, have drafted regulations that will promote the cost containment measures introduced in a number of spending areas.

Section 168(1)(b) and (p) of the MFMA provides that the Minister may regulate financial management and internal control and generally, any other matter that may facilitate the enforcement and administration of the Act, respectively. The object of the draft Regulations is to ensure that the resources of municipalities and municipal entities are used effectively, efficiently and economically (regulation 2). The Regulations will apply to all municipalities and municipal entities (regulation 3).

Regulation 1 contains the definition of terms that are used in the regulations. Regulation 4 deals with the establishment of cost containment policies including the principles applicable to such policies.

Regulations 4 to 13 contain the actual cost containment measures to be implemented by municipalities and municipal entities. These measures include:

- Principles around appointment of consultants to perform municipal functions and assessment to be undertaken by municipalities and municipal entities before appointing consultants;



- Procurement of mayoral vehicles. The regulations introduce a ceiling in terms of the value of the vehicles to be procured and principles in terms of management of such vehicle by the municipalities and municipal entities;
- Travel and subsistence allowance. This section of the regulations provides the thresholds for purchasing air tickets and hiring of vehicles. The intention with this specific measure is to ensure that institutions actually realise the discounts which have been negotiated at National Government level. These thresholds will contribute towards institutions achieving cost savings on their travel and accommodation budgets;
- Prohibition on issuance of credit or debit cards linked to municipal bank accounts to officials or public office bearers;
- Prohibition on using municipal funds for specific functions which include, amongst others, spending on catering for internal meetings only attended by officials, and social, farewell or team building activities. This section also prohibits the utilisation of municipal funds on alcoholic beverages;
- The regulations also make it mandatory for institutions to procure vehicles, cell phone and other related assets via the transversal contract negotiated at National Government level. This will ensure that there are cost savings and benefits passed to municipalities on all such items;
- The regulations also introduce a monetary threshold for conference fees which include the attendance of both local and international conferences;
- The regulations are intended to reduce excessive spending on office furniture and equipment;
- Municipalities and municipal entities are also encouraged to ensure that proper processes are followed when dismissing and suspending officials, this minimise unnecessary legal costs. Institutions are also encouraged to manage their expenditure on leave and overtime benefits; and
- The regulations make it mandatory for municipalities to conduct threat assessments before approving any security measures for councillors or officials.

Regulation 4 introduces consequence management aspects for non-adherence to the regulations. Non-compliance with these measures must be investigated for financial misconduct in terms of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

Regulation 5 provides the framework for disclosure of actual cost savings achieved by institutions in their annual reports, this improve transparency.

Regulation 6 contains the short title and the commencement date of the regulations.

These draft regulations therefore propose to provide a framework that is consistent with the provisions of the MFMA. The effective implementation of the regulations is intended to ensure that municipalities and municipal entities achieve value for money in utilising public resources to deliver municipal services. It is the intention that the Regulations would become effective on 01 July 2018.

Comments received during the consultation process will be considered and processed with a view to addressing any shortcomings.





**OVERSTRAND MUNICIPALITY – COST CONTAINMENT MEASURES:**

**NATIONAL TREASURY MFMA Circular No. 82 Municipal Finance Management Act No. 56 of 2003 Cost Containment Measures (Updated November 2016)**

**May 2018**

**Update: Draft Municipal Cost Containment Regulations**

The urgency expressed in the State of the Nation Address and announcements by the Minister of Finance, after consulting SALGA and Minister of Cooperative Government and Traditional Affairs, is articulated in the Draft Municipal Cost Containment Regulations, as published on 16 February 2018, in Part 2 of *Government Gazette* No. 41445 (attached), distributed for attention and submission of comments before 30 March 2018.

The content of the regulations must also inform municipalities when they prepare their 2018/19 MTREF budgets for implementation on 1 July if these measures could not be implemented sooner.

The status with regard to the Cost Containment Measures is unchanged up to date of this report.

**Current Status: MFMA Circular No. 82 Cost Containment Measures**

**This document presents to council the status regarding cost containment measures in terms of MFMA Circular No. 82 Cost Containment Measures (Updated November 2016).**

**Purpose**

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

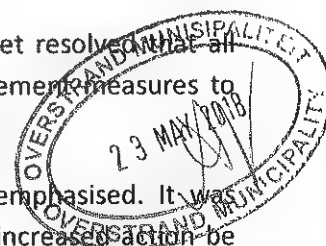
The purpose of the Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

**Background**

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure.

In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure has to be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- **Curtailment of overseas trips;**
- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting



**permission to travel either locally or abroad:** i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;

- The institutionalization of **further restrictions on conferences, catering, entertainment and social functions.**

In reinforcing the above, the Minister of Finance also announced further cost containment measures in his budget speech on 24 February 2016, and urged Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure in government. SALGA supported the call for cost containment measures to be implemented in municipalities as per the Budget Forum engagements and commitments.

Municipalities must make clear and quantified commitments in this regard when tabling their upcoming budgets, and to reference these commitments when submitting budget documentation to the National and Provincial Treasuries, as required by the MFMA.

**Annexure A of the circular presents cost containment measures that accounting officers and chief finance officers must consider, in order to contain operational costs and eliminate non-essential expenditure. In addition, municipalities are advised to refer to MFMA Budget Circular No. 70 and other relevant Circulars on the elimination of non-priority spending.** (<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>).

#### **Enforcement of cost containment measures**

SALGA recently expressed concern over the lack of enforcement of such measures and municipal councils are herewith reminded of Section 171(1) of the MFMA whereby the accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently contravenes a provision of the Act, or fails to comply with a duty imposed by the Act on the accounting officer of the municipality.

Failure to fulfill the duty outlined in section 62(1) (a) of the MFMA may result in the accounting officer committing an act of financial misconduct and that disciplinary or criminal proceedings are instituted against any official who has allegedly committed an act of financial misconduct or an offence in terms of chapter 15. The accounting officer also has a duty to ensure that unauthorized, irregular or fruitless and wasteful expenditure and other losses are prevented.

Reference in Circular 82	Overstrand Mun Response
In addition, section 167 of the MFMA provides that a municipality may only remunerate its office bearers within the parameters set out in that section. In particular, sub-section 167(2) provides that any benefit paid that is outside the parameters set out in subsection (1) is irregular expenditure and must be recovered from the political office-bearer concerned.	Comply. The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
Details of precisely what a municipality may pay or remunerate its political office bearers are set out in the Notices issued in terms of the Political Office Bearers Act by the Minister of Cooperative Governance and Traditional Affairs.	

Municipalities are reminded that the National Treasury will be conducting municipal budget benchmark engagements with non-delegated municipalities during which **all municipal budgets will be assessed**

against the cost containment measures outlined in this Circular. Provincial Treasuries will be conducting similar engagements and budget assessments with delegated municipalities.

Consideration has been given to the lack of enforcement measures and therefore it is envisaged that regulations will be issued to align these measures with financial misconduct regulations. Disclosure of cost containment measures applied by the municipality and entity must be included in the Municipal Budget and Annual Report. Measures implemented and regular reports must be submitted to the Municipal Public Accounts Committee for review and recommendations to Council on additional measures to be taken.

The contents of the Circular has been shared with the office of the Auditor-General for their application, scrutiny and assessment.

### Conclusion

It is important that the accounting officer ensures that the content of this Circular is brought to the attention of the Municipal Council and all other relevant officials within municipalities and municipal entities. It is recommended that:

Reference in Circular 82	Overstrand Mun Comments
<ul style="list-style-type: none"> <li>• Municipalities adopt this Circular together with their annual budgets;</li> </ul>	<ul style="list-style-type: none"> <li>• The Circular was included in the budget documentation to Council end of May 2017</li> </ul>
<ul style="list-style-type: none"> <li>• Municipalities are advised to review other finance related policies to ensure consistency with this Circular;</li> </ul>	<ul style="list-style-type: none"> <li>• The Circular was included in the final 2016/2017 Budget documentation which served before Council on 31 May 2017</li> </ul>
<ul style="list-style-type: none"> <li>• Municipalities implement the circular by creating the appropriate oversight mechanisms to monitor cost containment measures;</li> <li>• Implementation of such measures will assist in ensuring that the provisions of sections 62 and 167 of the MFMA are complied with to ensure that reasonable steps are taken for public resources to be used effectively, efficiently, economically and in the best interests of the local community.</li> </ul>	<ul style="list-style-type: none"> <li>• This document to be included in the quarterly budget report to Council.</li> </ul>

Any queries relating to municipalities preparation of municipal budgets in line with the cost containment measures should be directed to the respective National or Provincial Treasury official responsible for monitoring the municipality's budget. The names of these officials can be obtained from MFMA Circular 79 and / or other related MFMA Circulars. This Circular must be tabled before the municipal council for adoption together with the 2016/17 MTREF budget.

Issued on behalf of:

Malijeng Ngqaleni Kenneth Brown Jayce Nair

Intergovernmental Relations Chief Procurement Officer Acting Accountant-General

TV PILLAY

CHIEF DIRECTOR: MFMA IMPLEMENTATION

30 MARCH 2016



## Annexure A – Cost Containment Measures (Overstrand Municipality comments noted in the second column):

Cabinet resolved, on 23 October 2013 that cost containment measures must be implemented to eliminate wasteful expenditure, reprioritize spending and ensure savings on the following focus areas among others;

engagement of consultants, travel and subsistence costs, issuing of credit cards, accommodation costs, office furnishing costs, advertising or sponsorship costs, catering and events related costs.


It is prudent that Municipalities consider consultation with its -

<ul style="list-style-type: none"> <li>• employees and</li> <li>• through public participation to obtain input and consideration from affected stakeholders such as communities, ratepayers, businesses, and so on which may prove to be beneficial when facilitating the implementation of cost containment policies and actions.</li> </ul>	<ul style="list-style-type: none"> <li>• Noted</li> <li>• Circular 82 was included in the Draft Budget for 2017-2018 to Council on 29 March 2017 and was available for public participation and comments;</li> <li>• The Circular was included in the budget documentation to Council end of May 2017.</li> </ul>
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Municipalities are advised to ensure appropriate monitoring and reporting on such cost saving measures is instituted for ease of reporting to

- management and council on progress on a regular basis.
- The internal audit unit of municipalities must be copied with such reports.

### 1. Engagement of Consultants

<ul style="list-style-type: none"> <li>• Accounting Officers must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.</li> <li>• Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.</li> <li>• Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those: <ul style="list-style-type: none"> <li>○ determined in the "Guidelines on fees for audits done on behalf of the Auditor-General South Africa", issued by the South African Institute of Chartered Accountants (SAICA);</li> <li>○ set out in the "Guide on Hourly Fee Rates for Consultants", by the Department of Public Service and Administration (DPSA); or</li> <li>○ Prescribed by the body regulating the profession of the consultant.</li> </ul> </li> <li>• Ensure an exacting "specification" of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored.</li> <li>• Ensure that contracts for consultants include retention and penalty</li> </ul>	<p>Contents of the circular are noted; Appointment of consultants in terms of services required and listed.</p> 
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<p>clauses for poor performance and in this regard against the above specification, accounting officers must invoke such clauses, where deemed necessary.</p> <ul style="list-style-type: none"> <li>• It is mandatory that accounting officers of municipalities and municipal entities conclude on the best “value for money”, i.e. matching fees against quality and against benchmarked practices.</li> <li>• Accounting officers of municipalities and municipal entities must appoint consultants on a time and cost basis with specific start and end dates.</li> <li>• Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government and the contract price specifies all travel &amp; subsistence costs.</li> <li>• If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions:             <ol style="list-style-type: none"> <li>a) Hotel accommodation may not exceed the amount mentioned in this Circular;</li> <li>b) Only economy class air tickets may be purchased for flights;</li> <li>c) Only group B vehicles or lower may be hired for engagements, as mentioned in this Circular;</li> <li>d) Kilometres claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.</li> </ol> </li> <li>• Municipalities are urged to develop consultancy reduction plans.</li> <li>• Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality’s SCM policy.</li> </ul>	
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## 2. Travel and subsistence

<p>The National Treasury, on behalf of all three spheres of government, has negotiated improved upfront discounts for flights as well as discounted accommodation rates. Therefore municipalities and municipal entities are requested to utilize these agreements to assist in their respective cost containment measures, unless they can negotiate lower air travel rates or utilize other service providers that offer lower rates.</p> <p><u>Net and Non-Commissionable Rates</u></p> <p>All rates offered to Government as of 1 April 2016 will be net and non-commissionable. This will include the informal accommodation market e.g. Guest Houses and Bed &amp; Breakfast establishments.</p> <p><u>Rebates, Overrides, Volume based income</u></p> <p>In the spirit of transparency, the OCPO is taking a firm position on rebates, overrides or any volume driven target incentives being paid by suppliers to Travel Management Company (TMC). As of 1 April 2016 these payments and the practice of overrides is to discontinue for Government business.</p>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> <li>• South African Revenue Services (SARS)</li> <li>• Municipal Finance Management Act, 2003 (Act No. 56 of 2003)</li> <li>• South African Local Government Association (SALGA)</li> <li>• Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)</li> <li>• Income Tax Act, 1962 (Act No. 44 of 1962).</li> </ul> <p>This Policy must be read in conjunction with any of the Municipality’s approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein.</p>
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## 2.1 National Travel Policy

The Treasury will issue a National Travel Policy framework during December 2016.

This will be available on the OCPO's website:

([http://ocpo.treasury.gov.za/Buyers\\_Area/Legislation/Pages/default.aspx](http://ocpo.treasury.gov.za/Buyers_Area/Legislation/Pages/default.aspx))

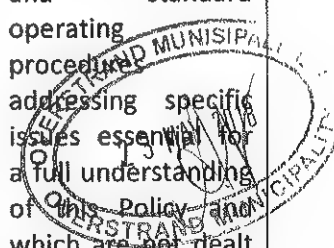
## 2.2 Air Travel

- The National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways (BA) for upfront discounted air fares for government employees travelling domestically for official purpose. These Domestic Air Travel Fares will be regularly reviewed by the National Treasury (These rates are not applicable for International Air Travel).
- For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.
- For BA the discounts range from 10% (O, Q class) up to 25% (Y Class) for Economy Class tickets; and 20% (J Class) for Business Class tickets. Please note that business class is not encouraged, however where a single flight exceed 5 hours, consideration may be applied.
- Treasury entered into a short-term Corporate Agreement from 1 April 2016 to 30 September 2016. This has been extended by a further six months.
- The premise of Best Fare on the Day will be implemented making full use of the negotiated Government Corporate Agreements with SAA and BA Comair. Quotations are to be obtained from at least SAA and BA Comair before issue. Other Low Cost Carriers may also be requested for quotations. Please note that all discounted rates are subject to class availability.
- In order to make full use of the corporate discount with SAA and BA, municipalities and municipal entities must instruct their appointed TMCs or persons making their bookings for domestic airline tickets, to book against the relevant deal codes as detailed in Annexure B.
- Corporate agreements with SAA and BA/Comair will be made available to TMCs that are currently contracted to Government. Should the municipal TMC have not been contacted by the full service carrier representative, they are to inform National Treasury with the agents name; physical address, contact name, email address and IATA number. Upon receipt of the information, the representatives of the full service carriers will ensure that the TMC is given access to the deal code. The TMC must have an authenticated IATA number.
- Accounting officers of municipalities and municipal entities are advised to include a clause in their respective documents that travel agencies are only permitted to make booking arrangements on behalf of municipalities and municipal entities in line with this Circular. Current arrangements need to be updated and amended to reflect these changes.
- Disabled persons can be accommodated in economy class, however, in extremely exceptional and rare cases an Accounting Officer may approve, with evidence, other than economy class air travel.

The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:

- South African Revenue Services (SARS)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- South African Local Government Association (SALGA)
- Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- Income Tax Act, 1962 (Act No. 58 of 1962).


This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.



### 2.3 Domestic Hotel Accommodation

- National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities should find options that are equal to or lower than the rates in Table 1, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

Table 1: Rates set for Domestic Hotel Accommodation

Voucher includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drinks at Dinner
<b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 580	R 710	R 855
2 Star	R 900	R 1 030	R 1 230
3 Star	R 1 100	R 1 200	R 1 400
4 Star	R 1 250	R 1 350	R 1 550
5 Star	R 2 100	R 2 200	R 2 500
<b>Bed &amp; Breakfast, Country House or Guest house</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 300	R 450	R 630
2 Star	R 500	R 650	R 830
3 Star	R 900	R 1 050	R 1 230
4 Star	R 1 000	R 1 150	R 1 330
5 Star	R 1 200	R 1 350	R 1 530
<b>Self-Catering*</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 580		
2 Star	R 900		
3 Star	R 1 100		
4 Star	R 1 250		
5 Star	R 1 450		
<b>Meals**</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
Breakfast	R 120	R -	R -
Lunch	R 150	R 150	R 150
Dinner	R 150	R 150	R -
<b>Total</b>	<b>R 420</b>	<b>R 300</b>	<b>R 150</b>

Accommodation costs are assumed to be inclusive of Parking and Wi-Fi (if available), and exclusive of Laundry expenses.

\*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge

Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.

\*\*Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.

- If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated at a four star establishment if the rate at the four star establishment is the same as or lower than a three star establishment.
- Where there is an alternative star grading indicated in Table 1

The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:

- South African Revenue Services (SARS)
  - Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
  - South African Local Government Association (SALGA)
  - Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
  - Income Tax Act, 1962 (Act No. 58 of 1962).
- This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.



<p>(i.e. 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:</p> <ul style="list-style-type: none"> <li>a. the higher star graded facility is the only available option due to location and availability; or</li> <li>b. the municipality or municipal entity has negotiated lower rates with the higher star graded facility.</li> </ul> <ul style="list-style-type: none"> <li>• Accounting officers must ensure that overnight accommodation is limited to instances where the distance travelled by road by the employee exceeds 500 kilometres to and from the destination (return journey).</li> </ul>	
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## 2.4 Vehicle Hire

<ul style="list-style-type: none"> <li>• Municipalities are encouraged to continue considering their own fleet first, where viable, prior to hiring of vehicles;</li> <li>• Notwithstanding the provisions above, all employees must make use of shuttle services if the cost of such a service is below the cost of hiring a vehicle.</li> <li>• Accounting officers must also consider making use of shuttle services if the cost of kilometres claimable by the employee and the cost of parking are higher than the shuttle services.</li> <li>• Ensure the hiring of vehicles from a category below Group B or an equivalent class. Accounting officers may permit employees to accept up-graded group of hired vehicles if such an up-grade is offered for free or at a lower charge than Group B.</li> <li>• Vehicle travel claims by employees of municipalities and municipal entities must be restricted to the actual distance travelled in excess of the normal distance from the employee's residence to his or her place of work or as may be negotiated using a motor vehicle allowance scheme.</li> </ul>	<p>The Overstrand Municipality Travel and subsistence Policy is developed and guided by the following:</p> <ul style="list-style-type: none"> <li>• South African Revenue Services (SARS)</li> <li>• Municipal Finance Management Act, 2003 (Act No. 56 of 2003)</li> <li>• South African Local Government Association (SALGA)</li> <li>• Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)</li> <li>• Income Tax Act, 1962 (Act No. 58 of 1962).</li> </ul> <p>This Policy must be read in conjunction with any of the Municipality's approved related policies, practices and standard operating procedures addressing specific issues essential for a full understanding of this Policy and which are not dealt with adequately herein. The policy was revised during February 2017.</p>
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## 3 Credit Cards


The use of credit and debit cards was addressed in an earlier MFMA Circular.

<p>A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:</p> <ul style="list-style-type: none"> <li>• contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the</li> </ul>	<ul style="list-style-type: none"> <li>• Overstrand Municipality does not allow the use of credit and debit cards.</li> </ul>
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<p>sections or as prescribed;</p> <ul style="list-style-type: none"> <li>• contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure;</li> <li>• contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget;</li> <li>• non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public;</li> <li>• non-compliance with the supply chain management regulations; and</li> <li>• undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.</li> </ul>	
<p>While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips.</p>	<ul style="list-style-type: none"> <li>• Noted</li> </ul>
<p>Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should make arrangements with the service provider that the expenditure be settled directly by the municipality.</p>	<ul style="list-style-type: none"> <li>• Noted</li> </ul>


#### **4 Catering costs**

<ul style="list-style-type: none"> <li>• Do not incur catering expenses for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such lasts for five (5) continuous hours or more: <ul style="list-style-type: none"> <li>a) The hosting of conferences, workshops, courses, forums, recruitment interviews, training courses, hearings;</li> <li>b) Meetings related to commissions or committees of inquiry; or</li> <li>c) Meetings hosted by the board of directors of municipal entities, including governance committee meetings.</li> </ul> </li> <li>• Ensure that entertainment allowances of qualifying officials do not exceed two thousand rand (R2 000) per person per financial year. The National Treasury may periodically review this amount.</li> <li>• Do not incur expenses on alcoholic beverages.</li> <li>• Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors.</li> <li>• Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either: <ul style="list-style-type: none"> <li>(a) proceeding on retirement due to ill health; or</li> <li>(b) proceeding on retirement after reaching the qualifying age limit of minimum of ten (10) or more years working for the public service.</li> </ul> </li> <li>• Accounting officers and accounting authorities may not host farewell functions for employees who have: <ul style="list-style-type: none"> <li>(a) been dismissed;</li> <li>(b) elected to resign or leave by accepting severance packages; or</li> <li>(c) Approached the end of their contractual term.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.</li> </ul> 
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## **5 Events, advertising and sponsorships**

<ul style="list-style-type: none"> <li>• Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration.</li> <li>• Memorabilia, gifts and other novelties should be of token value only and should only be offered by municipalities and municipal entities in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community.</li> <li>• Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors.</li> </ul>	<ul style="list-style-type: none"> <li>• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.</li> </ul>
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## **6 Conferences, meetings, study tours, etc.**

<ul style="list-style-type: none"> <li>• Employees of municipalities and municipal entities may attend conferences hosted by professional bodies or non-governmental institutions (external conferences) held within the borders of South Africa provided that expenses related to their attendance do not exceed two thousand five hundred rand (R2 500) per person per day. The number of municipal officials attending such conferences and workshops must be limited, see below. The National Treasury may periodically review this amount.</li> <li>• Employees must make every effort to take advantage of early registration discounts by seeking the required approvals to attend well in advance of the conference as it relates to their area of work. No late registration is acceptable.</li> <li>• Conferences abroad must be limited to its ultimate minimum or none at all.</li> <li>• Utilise municipal and/or provincial office facilities for conferences, meetings, strategic planning sessions etc. where an appropriate venue exists within the municipal jurisdiction.</li> <li>• Limit or stop overseas trips and the delegations going on such trips unless a tangible and clear benefit to the local community and performance of essential service provision can be established beforehand.</li> <li>• The number of employees travelling to conferences or meetings on official duty for the same matter is limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.</li> <li>• Similar to the above, the number of employees travelling by air to other centres to attend an official engagement on the same matter is also limited to three (3) employees, unless otherwise approved in advance by the relevant accounting officer, having due regard to the cost containment measures.</li> </ul>	<p>Noted. Expenditure in this regard only approved after consideration being given to cost containment measures</p> 
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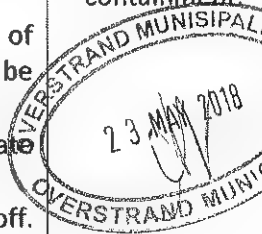
## **7 Office furnishing**

<ul style="list-style-type: none"> <li>• Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged.</li> <li>• Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.</li> </ul>
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### **8 Staff study, perks and suspension costs**

<ul style="list-style-type: none"> <li>• Training attended by employees and councillors of municipalities and municipal entities may only be attended at pre-approved service providers to ensure sufficient quality of training and obtain value for money.</li> <li>• Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped.</li> <li>• Encourage staff to take time off to make up for overtime worked.</li> <li>• Planned overtime must be submitted to management for consideration on a monthly basis.</li> <li>• Unplanned overtime worked must be motivated and approved by management.</li> <li>• Costs associated with long-standing staff suspensions and legal costs associated with not following due processes when suspending and dismissing staff must be eliminated.</li> <li>• Constant management of staff, improvements in productivity levels and feedback must be provided to all staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Noted. Expenditure in this regard only approved after consideration being given to cost containment measures.</li> </ul>
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### **9 Cost containment on other related expenditure items**

<ul style="list-style-type: none"> <li>• Accounting officers of municipalities and municipal entities are advised to ensure that all commodities and products that the National Treasury designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated.</li> <li>• Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speakers Office. Approval for security measures must be informed by such reports, if paid for from municipal funds. The use of metropolitan traffic officers for such purposes should be avoided.</li> <li>• Municipal funds may not be used to fund election campaign activities, including the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies.</li> <li>• Printing of documents should carefully considered be back-to-back and use of colour printing for graphs only, while use of electronic means should be preferred.</li> <li>• Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount.</li> <li>• Every effort must be made to recover debt from consumers before write-off. Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection.</li> <li>• Ensure synergy between municipal divisions or departments to avoid duplication of processes and efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• Consideration as part of strategic sourcing.</li> <li>• Noted and in compliance, with constant consideration of opportunities to ensure cost containment.</li> </ul> 
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|---|--|
| <ul style="list-style-type: none"><li>• Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones.</li><li>• Labour saving devices should be shared to optimize the capacity utilization of each device.</li><li>• Purchasing of newspapers and other publications for municipal employees to limited and stopped.</li><li>• Municipalities should ensure that awareness is raised with municipal staff so that a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use.</li><li>• All other cost containment measures introduced by council are also encouraged and supported.</li></ul> |  |
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## NATIONAL TREASURY

MFMA Circular No. 71

Municipal Finance Management Act No. 56 of 2003

# Uniform Financial Ratios and Norms

The purpose of this Circular is to provide a set of uniform key financial ratios and norms suitable and applicable to municipalities and municipal entities. Section 216 (1)(c) of the Constitution and section 2 of the Municipal Finance Management Act (MFMA) enable National Treasury to introduce uniform treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities.

A number of institutions currently use a variety of financial ratios and norms to assess and compare the financial health and performance of municipalities. Municipalities also use different financial ratios and norms to assess their own performance and set benchmarks for improvement to be measured over time. Results of our research show that there are in excess of two hundred different sets of financial ratios, with different derivatives used to assess municipality's financial status. This results in conflicting interpretation, inconsistent application and misunderstanding of the financial status of a municipality, often with incorrect diagnosis of the challenges and therefore inappropriate responses.

This Circular aims to bring consistency in interpretation and application of certain financial information using standardised financial ratios. It is important that any one of these ratios should not be read in isolation of one another, as this could lead to distortions in interpretation. Ideally, a number of interrelated ratios should be analysed together in order to get a broader picture of a municipality's or municipal entity's financial performance. When used in a combined manner analysis of different ratios will provide policy makers and the public with a very good sense of the financial status of the municipality and its entity. This Circular will also assist in municipalities being able to identify areas of financial management that need constant monitoring and improvement.

The Circular addresses different categories of ratios norms, interpretation and covers various aspects of a municipality's finances, such as financial position, financial performance and budget implementation, so that these can be used as part of in-year and end of year analysis. This will also aid in long-term financial planning and can be used to track progress over a number of years. Each ratio is explained to remove ambiguity and misinterpretation. The source of such information is also explained in the annexures to this Circular. Norms or standards have been assigned to each financial ratio, which are explained later in this Circular.

## Categorisation Financial Ratios, Formulas, Norms and Interpretation

### Categorisation

In order to perform a holistic financial analysis of a municipality or municipal entity all financial aspects of the institution should be considered. Ratios are divided into various



categories to address the different financial aspects and operations of a municipality or municipal entity.

- 1) **Financial Position**
- 2) **Financial Performance**
- 3) **Budget Implementation**

## Financial Ratios, Formulas, Norms and Interpretation

The ratios presented in this Circular are categorised in accordance with the previous section, and are presented in further detail to include the following:

- Purpose/ description of the Financial Ratio;
- Formula to be Used;
- Norms per Ratio; and
- Interpretation of Ratio Analysis Results.

Tables that provide a summary of the financial ratios, formulas, data source and norms are presented in Annexure 1.

### 1. FINANCIAL POSITION

#### A. Asset Management

##### 1. *Capital Expenditure to Total Expenditure*

###### ***Purpose/Description of the Ratio***

This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services.

###### ***Formula***

Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100

###### ***Norm***

The norm range between **10% and 20%**



### ***Interpretation of Results***

When assessing the level of Investment in Assets, a ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

The environment of the municipality should be considered when assessing the level of Investment in Assets. A municipality that has already invested in assets to address service delivery backlogs, would be required to maintain and improve such service levels, and therefore the percentage of spending allocated to new assets may not be significant higher.

On the other hand a municipality where the infrastructure and level of services provided is low and the associated expenditure is also low, the percentage of investment in new assets to total expenditure would be significantly higher.

The results from this ratio should be read together with the results from the analysis of the funding mix for capital expenditure.

It is critical that capital expenditure is largely directed toward service delivery infrastructure and not administrative assets.

## **2. *Impairment of Property, Plant and Equipment and Investment Property and Intangible Assets (Carrying Value)***

### ***Purpose/ Description of the Ratio***

Asset impairment refers to the loss in future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

This implies that the utilisation of assets did not deliver the value or service levels envisaged when approval was originally obtained for procuring the assets. When the approval is obtained to invest in Property, Plant and Equipment or Intangible Assets by the Municipality or Municipal Entity, the value should be realised through utilisation and reflected as Depreciation and not through unexpected losses due the Impairment of Property, Plant and Equipment or Intangible Assets. Impairment is therefore unexpected and only detected when the assessment for Impairment is performed as per the requirements of the applicable GRAP standards. It is therefore not planned for or expected and will not be budgeted.



**Formula**

Property, Plant and Equipment + Investment Property + Intangible Assets  
Impairment/ (Total Property, Plant and Equipment + Investment Property + Intangible  
Assets) x 100

**Norm**

The norm is 0%

**Interpretation of Results**

The purpose of the Ratio is to indicate the percentage of Impairments compared to the Carrying Value of the Assets; a ratio above 0% reflects a risk in service delivery and therefore corrective measures should be implemented.

**3. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)**

**Purpose/ Use of the Ratio**

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. Repairs and maintenance of municipal assets is required to ensure the continued provision of services.

**Formula**

Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying Value) x 100

**Norm**

The norm is 8%

**Interpretation of Results**

A ratio below the norm is a reflection that insufficient monies are being spent on repairs and maintenance to the extent that it could increase impairment of useful assets.

An increasing expenditure trend may be indicative of high asset-usage levels which can prematurely require advanced levels of Repairs and Maintenance or a need for Asset Renewal / Replacements. Also, should an increasing expenditure trend suddenly drop to lower levels without an increase in the fixed asset value, this may be indicative of challenges in spending patterns. This may also indicate that the Municipality is experiencing cash flow problems and therefore unable to spend at



appropriate levels on its repairs to existing assets or purchase of new assets thus impacting negatively on service delivery.

## **B. Debtors Management**

### **1. Collection Rate**

#### ***Purpose/ Use of the Ratio***

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

#### ***Formula***

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

#### ***Norm***

The norm is **95%**

#### ***Interpretation of Results***

Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example:

- Quality of Credit Control - ensuring that what is billed is collected; and
- Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.

If the ratio is below the norm this is an indication that revenue collection of the municipality requires urgent attention and corrective measures should be implemented. A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%. The results from this ratio should be viewed along with results from the age analysis and net debtor's day's ratio.

### **2. Bad Debts Written-off as % of the Bad Debt Provision**

#### ***Purpose/ Use of the Ratio***

The Ratio compares the value of Bad Debts Written-off on Consumer Debtors to Bad Debts Provided for Consumer Debtors to ensure that the Provision for Bad Debts is sufficient.



**Formula**

Bad Debts Written-off (Period under review)/ Provision for Bad Debt (Period under review x 100

**Norm**

The norm is **100%**

**Interpretation of Results**

Municipality should only write-off Bad Debts already provided for and, if the results are less than 100%, it should be ideally due to the recoverability of debtors. When 100% is exceeded, it indicates that the Municipality had not previously identified the Debtor/s as having the potential for defaults, which could indicate weakness in calculation of the Provision for Bad Debt, the methodology used and/or poor credit control processes.

**3. Net Debtors Days****Purpose/ Use of the Ratio**

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its Consumers for bills/invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality or Municipal Entity as well as the extent to which the Municipality or Municipal Entity has provided for Doubtful Debts.

**Formula**

$((\text{Gross Debtors} - \text{Bad Debt Provision}) / \text{Billed Revenue}) \times 365$

**Norm**

The norm is **30 Days**

**Interpretation of Results**

This Ratio adjusts for Municipality's who have had significant write-offs of Irrecoverable Debtor balances in the Gross Debtors Days analysis as it only assesses the performance of collectable Debtors. In addition, it provides an indication of the quality of credit control policy, effectiveness of the implementation thereof and quality of revenue management. If the ratio is above the norm, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition,



this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

### **C. Liquidity Management**

#### **1. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)**

##### ***Purpose/ Use of the Ratio***

The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure.

##### ***Formula***

((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)).

##### ***Norm***

The norm range between **1 month to 3 months**.

##### ***Interpretation of Results***

If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/set-backs" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

#### **2. Current Ratio**

##### ***Purpose/ Use of the Ratio***

The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).



**Formula**

Current Assets / Current Liabilities

**Norm**

The norm range between 1.5 to 2 :1

**Interpretation of Results**

The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality or Municipal Entity would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

**D. Liability Management****1. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure****Purpose/ Use of the Ratio**

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure.

**Formula**

Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100

**Norm**

The norm is between 6% to 8%

**Interpretation of Results**

Operating below the Norm could indicate that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds or the funding decisions of the municipality impacts of these levels. On the other hand, exceeding the Norm could pose a risk to the Municipality should changes or fluctuations in financing costs arise.





When assessing this ratio, the cash flow requirements of the Municipality or Municipal Entity should also be considered.

## **2. Debt (Total Borrowings)/ Total Operating Revenue**

### ***Purpose/ Use of the Ratio***

The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short and long term debt financing relative to operating revenue of the municipality.

The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.

### ***Formula***

Debt (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant

### ***Norm***

The norm is **45%**

### ***Interpretation of Results***

If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity.

## **E. Sustainability**

### **1. Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)**

#### ***Purpose/ Use of the Ratio***

The Ratio measures the extent to which the Other Reserves, which are required to be cash backed are actually backed by Cash Reserves.

#### ***Formula***

(Cash and Cash Equivalents - Bank Overdraft + Short Term Investment + Long Term Investment - Unspent Conditional Grants) / (Net Assets - Accumulated Surplus – Non Controlling Interest – Share Premium – Share Capital – Fair Value Adjustment – Revaluation Reserve)



**Norm**

The norm is **100%**

**Interpretation of Results**

If a Municipality or Municipal Entity has less than 100% Cash Reserves it could negatively impact the Municipality's or Municipal Entity ability to comply with the conditions for creating the Reserves and on its ability to fund current and future operations.

**2. FINANCIAL PERFORMANCE****A. Efficiency****1. Net Operating Surplus Margin****Purpose/ Use of the Ratio**

The Ratio assesses the extent to which the Municipality generates Operating Surpluses.

**Formula**

$$\frac{(\text{Total Operating Revenue} - \text{Total Operating Expenditure})}{\text{Total Operating Revenue}} \times 100\%$$

**Norm**

The norm is equal to or greater than **0%**

**Interpretation of Results**

Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. If the result is less than 0% it implies that the municipality is operating at a deficit and measures must be implemented to address this situation to ensure sustainable service delivery. In a case of an operating deficit it is critical to ascertain the extent to which the accounting policy, i.e. revaluation method has impacted on the calculations to avoid any distortions in interpretation of the outcome. Refer to Circular 58 section 4.3 regarding revaluation in terms of GRAP 17 and treatment of depreciation and GRAP 24.

**2. Net Surplus /Deficit Electricity****Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipality generates surplus or deficit in rendering electricity service. The purpose of the Ratio is to determine the contribution



made by the provision of Electricity Services, being one of the major functions of a municipality.

#### **Formula**

Total Electricity Revenue less Total Electricity Expenditure / Total Electricity Revenue x 100%

#### **Norm**

The Norm range between **0% and 15%**

It should be noted that this norm will be superseded by sector determinations from time to time, as other regulatory bodies address the appropriate level of tariffs and surpluses.

#### **Interpretation of Results**

A ratio below 0% depicts that electricity service is rendered at a deficit/loss and will be unsustainable if other revenue is not allocated to fund such services. The results must be between the range to ensure services are sustainable and that all costs associated with the delivery of Electricity Services are at least recovered with a margin for future growth and/ or capital funding for electricity assets.

### **3. Net Surplus / Deficit Water**

#### **Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipality generates surplus or deficit in rendering water service. The purpose of the Ratio is to determine the contribution made by the provision of water service being one of the major functions of a municipality.

#### **Formula**

Total Water Revenue less Total Water Expenditure / Total Water Revenue x 100%

#### **Norm**

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

#### **Interpretation of Results**

A ratio below 0% depicts that water service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Water Services are at least recovered with a margin for future growth and/ or capital funding for water assets.



#### **4. Net Surplus /Deficit Refuse**

##### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which the municipality generates surplus or deficit in rendering refuse service. The purpose of the Ratio is to determine the contribution made by the provision of refuse service being one of the major functions of a municipality.

##### ***Formula***

Total Refuse Revenue less Total Refuse Expenditure /Total Refuse Revenue x 100%

##### ***Norm***

The Norm is equal to or greater than **0%** and will be superseded by the Sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.

##### ***Interpretation of Results***

A ratio below 0% depicts that refuse service is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of Refuse Services are at least recovered with a margin for future growth and/ or capital funding for Refuse assets.

#### **5. Net Surplus / Deficit Sanitation and Waste Water**

##### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which the municipality generates surplus or deficit in rendering sanitation and waste water service. The purpose of the Ratio is to determine the contribution made by the provision of sanitation and waste water services being one of the major functions of a municipality.

##### ***Formula***

Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure / Total Sanitation and Waste Water Revenue x 100%

##### ***Norm***

The norm is equal to or greater than **0%** and will be superseded by the sector determination from time to time, as other regulatory bodies address the appropriate level of tariffs, surpluses and subsidisation.



### ***Interpretation of Results***

A ratio below 0% depicts that sanitation and waste water is rendered at a loss and unsustainable. The results must not be below the norm so as to ensure that the Services are sustainable and that all costs associated with the delivery of sanitation and waste water are at least recovered with a margin for future growth and / or capital funding for assets.

## ***B. Distribution Losses***

### ***1. Electricity Distribution Losses (Percentage)***

#### ***Purpose/ Use of the Ratio***

The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through theft (illegal connections), non or inaccurate metering or wastage. It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.

#### ***Formula***

(Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and / or Generated) × 100

#### ***Norm***

The Norm is between 7% and 10% and will be superseded by the sector determination.

### ***Interpretation of Results***

A ratio below the norm depicts that electricity losses are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, deteriorating electricity infrastructure or poor management of the networks, affecting the Municipality or Municipal Entity, which would require further analysis to determine the reasons for such losses. In addition, the root causes should be addressed.

### ***2. Water Distribution Losses (Percentage)***

#### ***Purpose/ Use of the Ratio***

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold as a result of losses incurred through theft (illegal connections), non- or incorrect metering or wastage as a result of deteriorating water infrastructure. It is expected that implementation of the free basic service policy is included in the calculation for sale of water.



**Formula**

$$\frac{(\text{Number of Kiloliters Water Purchased or Purified} - \text{Number of Kilolitres Water Sold})}{\text{Number of Kiloliters Water Purchased or Purified}} \times 100$$

**Norm**

The Norm is between **15% and 30%**

**Interpretation of Results**

A ratio within the norm depicts that water losses and water infrastructure are well managed. If the Ratio exceeds the norm it could indicate various challenges, for example, ageing water infrastructure or poor management, affecting the Municipality or Municipal Entity, which would require further analysis and explanation to determine the reasons for such losses. In addition, the root causes should be addressed.

**C. Revenue Management****1. Growth in Number of Active Consumer Accounts****Purpose/ Use of the Ratio**

The ratio measures the actual growth in the Revenue base of the Municipality brought about by an increase in the Consumer base rather than tariff increases.

**Formula**

$$\frac{(\text{Period under Review's Number of Active Debtor Accounts} - \text{Previous Period's Number of Active Debtor Accounts})}{\text{Previous Period Number of Active Debtor Accounts}} \times 100$$

**Norm**

No Norm is currently being proposed for this Ratio but will be monitored and a determined in the future. Municipalities are requested to report on this aspect to its Council.

**Interpretation of Results**

The results from this analysis will have to be taken into consideration when assessing the Growth in Revenue to determine the Real Growth in the Customer base vs growth due to tariff and inflationary adjustments. Growth in number of active consumers indicates an increase in revenue base.

Further, the impact of growth on the Indigent Base vs Growth in Paying Consumers should be assessed regularly as this must be used to inform Councils policy.



## **2. Revenue Growth (%)**

### ***Purpose/ Use of the Ratio***

This Ratio measures the overall revenue growth. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by an increase in Revenue base or by some other means.

### ***Formula***

$$\frac{(\text{Period Under Review's Total Revenue} - \text{Previous Period's Total Revenue})}{\text{Previous Period's Total Revenue}} \times 100$$

### ***Norm***

The norm is at the rate of **CPI**

### ***Interpretation of Results***

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base and number of consumer accounts to determine the real Growth in Revenue.

## **3. Revenue Growth (%) - Excluding Capital Grants**

### ***Purpose/Use of the Ratio***

This Ratio measures the overall Revenue Growth adjusted for Capital Grants. In addition, this ratio will assist in determining if the increase in Expenditure will be funded by the increased Revenue Base or by some other means.

### ***Formula***

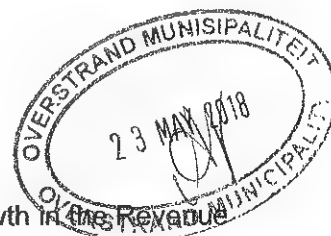
$$\frac{((\text{Period Under Review's Total Revenue Excluding Capital Grants} - \text{Previous Period's Total Revenue Excluding Capital Grants}) / \text{Previous Period's Total Revenue Excluding Capital Grants}) \times 100$$

### ***Norm***

The norm is at the rate of **CPI**

### ***Interpretation of Results***

The Revenue Growth has to be assessed in conjunction with the growth in the Revenue base, number of consumer accounts to determine the real Growth.



**D. Expenditure Management****1. Creditors Payment Period (Trade Creditors)****Purpose/ Use of the Ratio**

This ratio indicates the average number of days taken for Trade Creditors to be paid.

**Formula**

Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365

**Norm**

The norm is **30 days**

**Interpretation of Results**

A period of longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

**2. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure****Purpose/ Use of the Ratio**

The ratio measures the extent to which the Municipality has incurred Irregular, Fruitless and Wasteful and Unauthorised Expenditure.

**Formula**

(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100

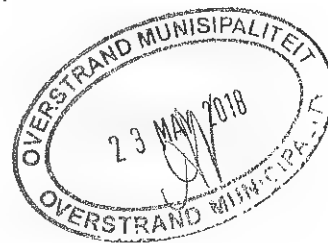
The net amount after condonement should be used in this calculation.

**Norm**

The norm is **0%**

**Interpretation of Results**

A ratio that exceeds 0% must be investigated and acted upon.





### 3. Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)

#### **Purpose/ Use of the Ratio**

The ratio measures the extent of Remuneration to Total Operating Expenditure.

#### **Formula**

Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100

#### **Norm**

The norm range between 25% and 40%

#### **Interpretation of Results**

If the ratio exceed the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.

### 4. Contracted Services % of Total Operating Expenditure

#### **Purpose/ Use of the Ratio**

This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.

#### **Formula**

Contracted Services / Total Operating Expenditure x 100

#### **Norm**

The norm range between 2% and 5%

#### **Interpretation of Results**

A ratio in excess of the Norm could indicate that many functions are being outsourced to Consultants, or that Contracted Services are not effectively utilised. This also depends on the model of service delivery selected by the municipality. In addition, outsourcing decisions will have to be weighed against the ability to attract skills; however, increases in this ratio can further expose the municipality to other risks, such as its inability to build capacity and ongoing reliance on Contractors.



**E. Grant Dependency****1. Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure****Purpose/ Use of the Ratio**

The Ratio measures the extent to which the municipality's Total Capital Expenditure is funded through Internally Generated Funds and Borrowings.

**Formula**

Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) / Total Capital Expenditure x 100

**Norm**

No norm is proposed at this time. It is critical that the funding mix of capital expenditure is undertaken in such a manner that affordable borrowing is directed towards addressing service delivery needs and that there is also opportunity for increased capacity on internally generated funding to attain an improved balance of the funding sources.

**2. Own Funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure****Purpose/ Use of the Ratio**

The Ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds.

**Formula**

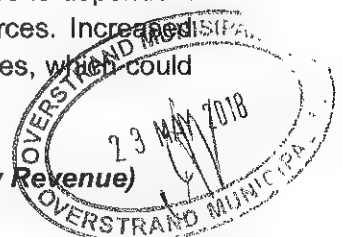
Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100

**Norm**

No norm is proposed at this time. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

**3. Own Source Revenue to Total Operating Revenue (Including Agency Revenue)****Purpose/ Use of the Ratio**

The Ratio assesses the extent of Own Source Revenue to Total Operating Revenue, including Agency Revenue hence self-sufficiency.



**Formula**

Own Source Revenue (Total Revenue - Government Grants and Subsidies – Public Contribution and Donations)/ Total Operating Revenue (Including Agency Services) x 100

**Norm**

No norm is proposed at this time. The municipal specific circumstances, including the powers and functions assigned to it, must be considered when assessing the level of own source revenue or its self-sufficiency. An analysis of the trends and levels of own source of revenue will also inform the municipality and users of measures taken to optimise own revenues. The ratio measuring own source revenue should be increasing over time as it reflects municipal efforts towards self-sufficiency.

**3. BUDGET IMPLEMENTATION****1. Capital Expenditure Budget Implementation Indicator****Purpose/ Use of the Ratio**

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

**Formula**

Actual Capital Expenditure / Budget Capital Expenditure x 100

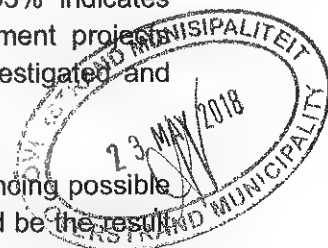
**Norm**

The norm range between **95% and 100%**

**Interpretation of Results**

This can be used in-year to monitor progress. Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented.

Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.



Overspending may also indicate inaccurate budgeting or poor financial management control.

## **2. Operating Expenditure Budget Implementation Indicator**

### ***Purpose/ Use of the Ratio***

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assess whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

### ***Formula***

Actual Operating Expenditure / Budgeted Operating Expenditure x 100

### ***Norm***

The norm range between 95% and 100%

### ***Interpretation of Results***

Any variance from 100% indicates either challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

## **3. Operating Revenue Budget Implementation Indicator**

### ***Purpose/ Use of the Ratio***

This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year under review.

### ***Formula***

Actual Operating Revenue / Budgeted Operating Revenue x 100



**Norm**

The norm range between **95% and 100%**

**Interpretation of Results**

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

**4. Service Charges and Property Rates Revenue Budget Implementation Indicator****Purpose/ Use of the Ratio**

The ratio measures the extent of Actual Service Charges and Property Rates Revenue received in relation to Budgeted Service Charges and Property Rates Revenue during the financial year, under review.

**Formula**

Actual Service Charges and Property Rates Revenue / Budgeted Service Charges and Property Rates Revenue x 100

**Norm**

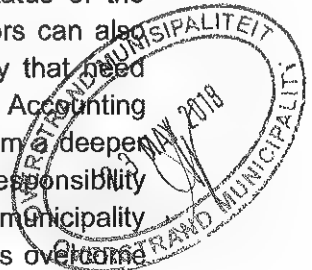
The norm range between **95% and 100%**

**Interpretation of Results**

A ratio below 95% indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

**Monitoring**

It is important that these indicators are not seen or used in isolation of one another but used in a combined manner so as to provide a holistic picture of the financial status of the municipality or municipal entity. Poor outcomes with relation to these indicators can also point to weaknesses in Institutional and Governance aspects in a municipality that need attention. Therefore, Councillors, Municipal Managers, Chief Financial Officers, Accounting Offices of Municipal Entities, and all financial officials should derive benefits from a deeper understanding of these Ratios and Norms and their implications. The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality and proper monitoring and use of these indicators, will support decision-makers overcome such challenges.



The use of these Ratios and Norms should assist Municipalities and Municipal Entities to predict, identify, prevent, avoid, and resolve financial problems/crisis timeously and serve as an early warning mechanism. Moreover, this will ensure that Municipalities and Municipal Entities make strategic decisions based on empirical and factual information and analysis for a sustainable outcome. Monitoring and trend analysis of these ratios is critical to ensure that measures are introduced to address areas needing attention and that there is progressive improvements of municipalities own position against the norms. These indicators and their norms, when viewed holistically, provide an overview of the financial position and performance of the Municipalities and Municipal Entities, while recognising institutional differences. Sound and effective financial management practices form the basis for an effective long term sustainable municipality.

The oversight role played by the Municipal Executive, Audit Committee, and Municipal Public Account Committee will also be enhanced with the use of these financial Ratios and Norms through implementation and reporting of financial information. The financial ratios and norms will strengthen financial management and accountability and be used throughout the cycle - integrated development plans (including long term financial plan), budgets, in-year reports for example section 52, 71 and 72 reports, annual financial statements, annual report and oversight reports. Comparison with other municipalities is now possible.

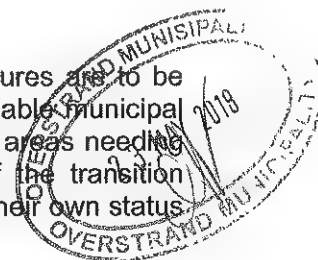
An Excel template has been developed (Annexure 2 of this Circular) to assist municipalities and Municipal Entities to populate relevant financial information, automate calculations, and assist in interpretation thereof.

These Ratios and Norms will be used to assess financial position and performance, quality of budgeting, management, and other characteristics of Municipalities and Municipal Entities, and should holistically provide an overview of the financial health of the Municipality or Municipal Entity, taking the respective and unique circumstances into account. Benchmarking and comparisons between Municipalities and Municipal Entities can also be undertaken, made simpler in future, and will further assist in targeting assistance and support, where needed.

Different institutions including, financial institutions, research organisations, rating agencies, national and provincial government, legislatures, amongst others, can use these uniform set of financial indicators, ratios and norms to monitor the financial position and performance of municipalities.

## Implementation

The ratios and norms provided in this Circular and elaborated in the annexures are to be understood in an aspirational context and utilised as soon as possible to enable municipal councils to commence with the process of introducing measures to address areas needing attention. Municipalities and Municipal Entities should take advantage of the transition period, covering the medium term, to allow for progressive improvements of their own status against the ratios and norms.



## Conclusion

The variety of financial ratios and norms, over 200, used by various institutions to assess and compare the financial health and performance of Municipalities and Municipal Entities has resulted in confusion across the sector, as users formulate assumptions based on different interpretation of the same financial information.

The Circular creates a uniform categorisation of ratios, standardising formulas and inputs, providing guidance on norms and interpretation of the financial ratio analysis, as applicable to Municipalities and Municipal Entities. There may be other ratios and norms used by analysts that are more appropriate to the financial status of private sector institutions, therefore, the use, differentiation and range described in this Circular should be understood within the context of a public sector institution.

This Circular therefore attempts to address the above challenges and also provide a more structured approach for holistic analysis, taking into cognisance the different type of Municipalities and Municipal Entities. The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

Institutions performing financial ratio analysis for Municipalities and Municipal Entities should therefore refer to this Circular and interpretation therein to ensure uniformity and consistency of application.

It is important that the Municipal Manager ensure that this Circular is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders. Training providers are also requested to bring this Circular to the attention of trainees.

The introduction and application of these uniform norms, coupled with other financial reforms, will allow for comparisons with different type of municipalities and municipal entities and it is expected that they will replace earlier regulations issued that cover financial ratios and norms as these are based on the latest reforms in financial management.



### National Treasury

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**TV PILLAY**

**Chief Director: MFMA Implementation**

**17 January 2014**

Annexure 1: Summary of the financial ratios, norms, formulae and data sources

Annexure 2: Excel template for calculation of the ratios and interpretation of results







## SUMMARY OF UNIFORM FINANCIAL RATIO, FORMULAE, DATA SOURCE AND NORMS

## 1. FINANCIAL POSITION

## A. Asset Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
Capital Expenditure to Total Expenditure	$\frac{\text{Total Capital Expenditure}}{\text{Total Expenditure (Total Operating expenditure + Capital expenditure)}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%
Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	$\frac{\text{Property, Plant and Equipment Impairment} + \text{Investment Property Impairment} + \text{Intangible Assets Impairment}}{\text{Property, Plant and Equipment} + \text{Investment Property} + \text{Intangible Assets}} \times 100$	Statement of Financial Position, Notes to the AFS and AR	0%
Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value)	$\frac{\text{Total Repairs and Maintenance Expenditure}}{\text{Property, Plant and Equipment and Investment Property (Carrying value)}} \times 100$	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%



## B. Debtors Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Collection Rate	$\frac{\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} + \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%
Bad Debts Written-off as % of Provision for Bad Debt	$\frac{\text{Bad Debts Written-off}}{\text{Provision for Bad Debt}} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%
Net Debtors Days	$\frac{((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue}))}{365} \times 365$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days



## C. Liquidity Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants)	$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}{1}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months
2 Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1

## D. Liability Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	$\frac{\text{Capital Cost (Interest Paid and Redemption)} / \text{Total Operating Expenditure} \times 100}{1}$	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%
2 Debt (Total Borrowings) / Revenue	$\frac{(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long Term Borrowings}) / \text{Total Operating Revenue}}{1}$	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%



## E. Sustainability

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest - Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve)	Statement Financial Position, Budget and AR	100%



## 2. FINANCIAL PERFORMANCE

## A. Efficiency

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Net Operating Surplus Margin	$\frac{\text{Total Operating Revenue} - \text{Total Operating Expenditure}}{\text{Total Operating Revenue}}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	= or > 0%
Net Surplus /Deficit Electricity	$\frac{\text{Total Electricity Revenue less Total Electricity Expenditure}}{\text{Total Electricity Revenue}} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%
Net Surplus /Deficit Water	$\frac{\text{Total Water Revenue less Total Water Expenditure}}{\text{Total Water Revenue}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
4 Net Surplus /Deficit Refuse	$\frac{\text{Total Refuse Revenue less Total Refuse Expenditure}}{\text{Total Refuse Revenue}} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%
5 Net Surplus /Deficit Sanitation and Waste Water	$\frac{\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure}}{\text{Total Sanitation and Waste Water Revenue}} \times 100$	Statement of Financial Performance, Notes to AFS Budget, IDP, In-Year reports and AR	= or > 0%



## B. Distribution Losses

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Electricity Distribution Losses (Percentage)	$\frac{\text{Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold}}{\text{Number of Electricity Units Purchased and/or Generated}} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%
2 Water Distribution Losses (Percentage)	$\frac{\text{Number of Kilotres Water Purchased or Purified - Number of Kilotres Water Sold}}{\text{Number of Kilotres Water Purchased or Purified}} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%



## C. Revenue Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period number of Active Debtor Accounts)/ previous period number of Active Debtor Accounts x 100	Debtors System	None
Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI
Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants ) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI



## D. Expenditure Management

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Creditors Payment Period (Trade Creditors)	$\text{Trade Creditors Outstanding} / \text{Credit Purchases (Operating and Capital)} \times 365$	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days
Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	$(\text{Irregular, Fruitless and Wasteful and Unauthorised Expenditure}) / \text{Total Operating Expenditure} \times 100$	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%
Remuneration as % of Total Operating Expenditure	$\text{Remuneration (Employee Related Costs and Councilors' Remuneration)} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%
Contracted Services % of Total Operating Expenditure	$\text{Contracted Services} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%





## E. Grant Dependency

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	$\text{Own funded Capital Expenditure (Internally generated funds + Borrowings)} / \text{Total Capital Expenditure} \times 100$	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None
Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	$\text{Own funded Capital Expenditure (Internally Generated Funds)} / \text{Total Capital Expenditure} \times 100$	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None
Own Source Revenue to Total Operating Revenue (including Agency Revenue)	$\text{Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)} / \text{Total Operating Revenue (including agency services)} \times 100$	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None



## 3. BUDGET IMPLEMENTATION

RATIO	FORMULA	DATA SOURCE AND POLICY DOCS	NORM
1 Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%
Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%
4 Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%

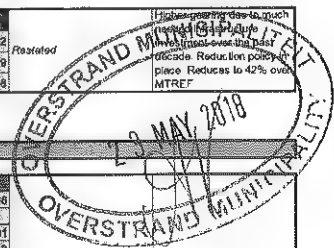




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99	Target ratio / Normative Ratio: 100% or more	100%
100	Target ratio / Normative Ratio: 100% or more	100%

Template for Calculation of Uniform Financial Ratios and Norms 2015/16 Restated

RATIO	FORMULA	DATA SOURCE	PERIOD	UNIT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (R)
* R 000 *							
I. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	937 726 908 95 132 918	Restated	Maximum capital accommodated according to resources
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value) Property, Plant and Equipment + Investment Property + Intangible Assets impairment / (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	955 457 3 541 378 412 153 892 000 6 712 858	Restated	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value) Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	106 377 471 3 541 378 412 153 892 000	Restated	Repairs & maintenance comprises 16.31% of total expenditure. Asset value was enhanced with the introduction of GRAP 17 & Depreciated Replacement Cost.
B. Debtors Management							
1	Collection Rate (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	Gross Debtors closing balance Gross Debtors opening balance Bad Debts Written Off Billed Revenue	76 917 787 70 280 194 658 424 737 604 045	Restated	
2	Bad Debts Written-off as % of Provision for Bad Debt Bad Debts Written-off / Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off Consumer Debtors Current bad debt Provision	658 424 18 598 108	Restated	The norm range appears incorrect
3	Net Debtors Days ((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debts Provision Billed Revenue	76 917 787 10 098 108 737 604 045	Restated	
C. Liquidity Management							
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	73 517 596 1 379 804 101 262 891 900 840 591	Restated	
2	Current Ratio Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets Current Liabilities	307 820 222 189 586 596	Restated	
D. Liability Management							
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	0% - 8%	Interest Paid Redemption Total Operating Expenditure Taxation Expense	48 207 482 23 609 688 937 726 908 95 132 918	Restated	
2	Debt (Total Borrowings) / Revenue (Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	Total Debt Total Operating Revenue Operational Conditional Grants	438 993 862 930 691 329 39 091 098	Restated	Higher spending due to much higher GRAP 17 requirements over the past decade. Reduction policy in place. Reduces to 42% over MTRF
E. Sustainability							
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus) (Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement of Financial Position, Budget and AR	100%	Cash and cash Equivalents Bank Overdraft Short Term Investment Long Term Investment Unspent Grants Net Assets Share Premium Share Capital Revaluation Reserve Fair Value Adjustment Reserve Accumulated Surplus	73 517 596 101 262 891 29 740 013 1 379 804 3 258 328 475 3 258 328 475 3 258 328 475 3 258 328 475 3 258 328 475 3 258 328 475 3 258 328 475	Restated	



## 2. FINANCIAL PERFORMANCE

## A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue} \times 100$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	$= \text{or} > 0\%$	<div> <div>Total Operating Revenue</div> <div>630 091 329</div> </div> <div> <div>Depreciation - Revolved Portion (Only applicable if depreciation line item in the Statement of Financial Performance is based on the revolved asset value)</div> <div></div> </div> <div> <div>Total Operating Expenditure</div> <div>697 728 908</div> </div> <div> <div>Taxation Expense</div> <div></div> </div>	Restated	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$0\% - 15\%$	<div> <div>Total Electricity Revenue</div> <div>334 746 598</div> </div> <div> <div>Total Electricity Expenditure</div> <div>306 081 952</div> </div>	Restated	
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{or} > 0\%$	<div> <div>Total Water Revenue</div> <div>118 583 480</div> </div> <div> <div>Total Water Expenditure</div> <div>83 889 431</div> </div>	Restated	
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{or} > 0\%$	<div> <div>Total Refuse Revenue</div> <div>61 732 773</div> </div> <div> <div>Total Refuse Expenditure</div> <div>57 371 288</div> </div>	Restated	

5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$= \text{or} > 0\%$	<div> <div>Total Sanitation and Waste Water Revenue</div> <div>79 987 513</div> </div> <div> <div>Total Sanitation and Waste Water Expenditure</div> <div>86 741 770</div> </div>	Restated	
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## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	$7\% - 10\%$	<div> <div>Number of units purchased and/or generated</div> <div>237 305 067</div> </div> <div> <div>Number of units sold</div> <div>222 259 652</div> </div>	Restated	
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitre Water Purchased or Purified} - \text{Number of Kilolitre Water Sold}) / \text{Number of Kilolitre Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	$15\% - 30\%$	<div> <div>Number of Kilolitre purchased and/or</div> <div>7 148 111</div> </div> <div> <div>Number of Kilolitre sold</div> <div>5 852 149</div> </div>	Restated	

## C. Revenue Measurement

1	Growth in Number of Active Consumer Accounts	$(\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}) / \text{previous number of Active Debtor Accounts} \times 100$	Debtors System		<div> <div>Number of Active Debtors Accounts (Previous)</div> <div>44 116</div> </div> <div> <div>Number of Active Debtors Accounts (Current)</div> <div>45 128</div> </div>	Restated	
2	Revenue Growth (%)	$(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}) / \text{previous period's Total Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{CPI}$	<div> <div>CPI</div> <div>8%</div> </div> <div> <div>Total Revenue (Previous)</div> <div>880 091 631</div> </div> <div> <div>Total Revenue (Current)</div> <div>697 542 742</div> </div>	Restated	Due to the change in budget
3	Revenue Growth (%) - Excluding capital grants	$(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}) / \text{previous period's Total Revenue excluding capital grants} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$= \text{CPI}$	<div> <div>CPI</div> <div>0%</div> </div> <div> <div>Total Revenue Excl. Capital (Previous)</div> <div></div> </div> <div> <div>Total Revenue Excl. Capital (Current)</div> <div>630 091 320</div> </div>	Restated	Due to the change in budget



## D: Expenditure Management

1	Creditors Payment Period, Trade Creditors	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 385	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases  Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	32 085 812 81 953 239 71 202 568 67 374 334 194 618 535  95 132 918	Revised	
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2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure  Total Operating Expenditure  Taxation Expense	403 505  937 726 906  	Revised	
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3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councilors Remuneration Total Operating Expenditure Taxation Expense	274 565 500 8 368 074 937 726 906 	Revised	
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4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	112 447 310 937 726 906 	Revised	Cost analysis conducted to deliver cost effective services
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## E: Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	30% 7 292 349 27 189 155 95 132 918	Revised	
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2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	8% 7 292 349 95 132 918	Revised	
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3	Own Source Revenue to Total Operating Revenue (Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (Including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	80% 991 942 742 164 289 816 90 851 418	Revised	
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## BUDGET IMPLEMENTATION

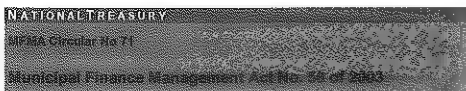
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	95 132 918 103 127 452	Revised	Noted
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2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	937 726 906 937 726 914	Revised	
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3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue Budget Operating Revenue	930 691 329 913 079 286	Revised	Not sure why 100% collection should be penalised
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4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	737 804 045 731 514 703	Revised	Not sure why 100% collection should be penalised
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[illegible]

OVERSTRAND MUNICIPALITY

## 2. FINANCIAL PERFORMANCE

## A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	<table><tr><td>Total Operating Revenue</td><td>1 053 123 488</td></tr><tr><td>Depreciation - Residual Portion (Only payable if depreciation less than in the Statement of Financial Performance is based on the residual asset value)</td><td></td></tr><tr><td>Total Operating Expenditure</td><td>1 047 801 336</td></tr><tr><td>Taxation Expense</td><td></td></tr></table>	Total Operating Revenue	1 053 123 488	Depreciation - Residual Portion (Only payable if depreciation less than in the Statement of Financial Performance is based on the residual asset value)		Total Operating Expenditure	1 047 801 336	Taxation Expense		Audited	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure
Total Operating Revenue	1 053 123 488														
Depreciation - Residual Portion (Only payable if depreciation less than in the Statement of Financial Performance is based on the residual asset value)															
Total Operating Expenditure	1 047 801 336														
Taxation Expense															
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	<table><tr><td>Total Electricity Revenue</td><td>363 309 784</td></tr><tr><td>Total Electricity Expenditure</td><td>331 598 085</td></tr></table>	Total Electricity Revenue	363 309 784	Total Electricity Expenditure	331 598 085	Audited	See costing of services in budget report - Table 5				
Total Electricity Revenue	363 309 784														
Total Electricity Expenditure	331 598 085														
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	<table><tr><td>Total Water Revenue</td><td>138 173 003</td></tr><tr><td>Total Water Expenditure</td><td>98 923 084</td></tr></table>	Total Water Revenue	138 173 003	Total Water Expenditure	98 923 084	Audited					
Total Water Revenue	138 173 003														
Total Water Expenditure	98 923 084														
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	<table><tr><td>Total Refuse Revenue</td><td>68 328 638</td></tr><tr><td>Total Refuse Expenditure</td><td>65 581 426</td></tr></table>	Total Refuse Revenue	68 328 638	Total Refuse Expenditure	65 581 426	Audited					
Total Refuse Revenue	68 328 638														
Total Refuse Expenditure	65 581 426														

6	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	<table><tr><td>Total Sanitation and Waste Water Revenue</td><td>84 883 527</td></tr><tr><td>Total Sanitation and Waste Water Expenditure</td><td>73 234 284</td></tr></table>	Total Sanitation and Waste Water Revenue	84 883 527	Total Sanitation and Waste Water Expenditure	73 234 284	Audited	
Total Sanitation and Waste Water Revenue	84 883 527										
Total Sanitation and Waste Water Expenditure	73 234 284										

## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated	245 751 817	Audited	
					Number of units sold	227 638 833		

2	(Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	18% - 30%	Number of kilolitres purchased and/or purified	7 558 272	Audited	
					Number of kilolitres sold	5 947 239		

## C. Revenue Management

1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		1%	Audited	
					Number of Active Debtors Accounts (Previous)	45 128		
					Number of Active Debtors Accounts (Current)	45 426		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		5%	Audited	Due to the change in budget
					Total Revenue (Previous)	991 342 742		
					Total Revenue (Current)	1 085 804 904		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants ) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		5%	Audited	Due to the change in budget
					Total Revenue Excl.Capital (Previous)	930 061 330		
					Total Revenue Excl.Capital (Current)	1 042 089 887		





## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases  Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	35 233 584 93 502 094 70 534 008 73 524 529 217 522 935  61 668 227	Audited	
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2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure Total Operating Expenditure Taxation Expense	9 052 044 1 047 691 339 -	Audited	Noted
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3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councillors' Remuneration Total Operating Expenditure Taxation Expense	301 919 339 9 285 291 1 047 691 339 -	Audited	
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4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	120 646 761 1 047 691 339 -	Audited	Cost analysis conducted to deliver cost effective services
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## E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	55% 14 544 194 35 550 183 91 668 227	Audited	
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2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	16% 14 544 194 91 668 227	Audited	
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3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	68% 1 086 504 004 148 062 908 33 581 410	Audited	
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## BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	91 668 227 95 256 104	Audited	Noted
2	Operating Expenditure Budget Implementation indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	1 047 691 339 1 072 993 987	Audited	
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	100% - 100%	Actual Operating Revenue Budget Operating Revenue	1 053 123 493 1 004 304 970	Audited	Not sure why 100% collection should be penalised
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	821 524 513 785 907 878	Audited	Not sure why 100% collection should be penalised



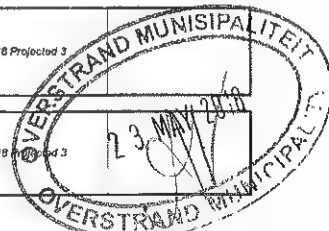




1	Where the ratio is greater than the norm, it indicates that the municipality is performing better than the norm.
2	Where the ratio is less than the norm, it indicates that the municipality is performing worse than the norm.
3	Where the ratio is equal to the norm, it indicates that the municipality is performing in line with the norm.
4	Where the ratio is not applicable, it indicates that the ratio is not applicable to the municipality.

## Template for Calculation of Uniform Financial Ratios and Norms 2017/18 Projected

RATIO	FORMULA	NATURE OF DATA	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (if)																		
"R 000"																							
1. FINANCIAL POSITION																							
A. Asset Management/Utilisation																							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	<table><tr><td>Total Operating Expenditure</td><td>1 052 186 875</td></tr><tr><td>Taxation Expense</td><td></td></tr><tr><td>Total Capital Expenditure</td><td>116 619 518</td></tr></table> 2017/18 Projected 3	Total Operating Expenditure	1 052 186 875	Taxation Expense		Total Capital Expenditure	116 619 518												
Total Operating Expenditure	1 052 186 875																						
Taxation Expense																							
Total Capital Expenditure	116 619 518																						
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets impairment / (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	<table><tr><td>PPE, Investment Property and Intangible Impairment</td><td></td></tr><tr><td>PPE at carrying value</td><td>3 495 837 373</td></tr><tr><td>Investment at carrying value</td><td>101 865 000</td></tr><tr><td>Intangible Assets at carrying value</td><td>5 941 674</td></tr></table> 2017/18 Projected 3	PPE, Investment Property and Intangible Impairment		PPE at carrying value	3 495 837 373	Investment at carrying value	101 865 000	Intangible Assets at carrying value	5 941 674										
PPE, Investment Property and Intangible Impairment																							
PPE at carrying value	3 495 837 373																						
Investment at carrying value	101 865 000																						
Intangible Assets at carrying value	5 941 674																						
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	<table><tr><td>Total Repairs and Maintenance Expenditure</td><td>181 234 031</td></tr><tr><td>PPE at carrying value</td><td>3 495 837 373</td></tr><tr><td>Investment Property at Carrying value</td><td>101 865 000</td></tr></table> 2017/18 Projected 3 Repairs & maintenance comprises 16.31% of total expenditure. Asset value was enhanced with the introduction of GRAP 1, r.o Depreciated Replacement Cost.	Total Repairs and Maintenance Expenditure	181 234 031	PPE at carrying value	3 495 837 373	Investment Property at Carrying value	101 865 000												
Total Repairs and Maintenance Expenditure	181 234 031																						
PPE at carrying value	3 495 837 373																						
Investment Property at Carrying value	101 865 000																						
B. Debtors Management																							
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	<table><tr><td>Gross Debtors closing balance</td><td>91 587 575</td></tr><tr><td>Gross Debtors opening balance</td><td>84 040 215</td></tr><tr><td>Bad debts written Off</td><td>500 000</td></tr><tr><td>Billed Revenue</td><td>800 899 384</td></tr></table> 2017/18 Projected 3	Gross Debtors closing balance	91 587 575	Gross Debtors opening balance	84 040 215	Bad debts written Off	500 000	Billed Revenue	800 899 384										
Gross Debtors closing balance	91 587 575																						
Gross Debtors opening balance	84 040 215																						
Bad debts written Off	500 000																						
Billed Revenue	800 899 384																						
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off / Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	<table><tr><td>Consumer Debtors Bad debts written off</td><td>500 000</td></tr><tr><td>Consumer Debtors Current bad debt Provision</td><td>19 000 000</td></tr></table> 2017/18 Projected 3 The norm range appears Incorrect	Consumer Debtors Bad debts written off	500 000	Consumer Debtors Current bad debt Provision	19 000 000														
Consumer Debtors Bad debts written off	500 000																						
Consumer Debtors Current bad debt Provision	19 000 000																						
3	Net Debtors Days	((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	<table><tr><td>Gross debtors</td><td>91 587 575</td></tr><tr><td>Bad debts Provision</td><td>19 000 000</td></tr><tr><td>Billed Revenue</td><td>800 899 384</td></tr></table> 2017/18 Projected 3 in line with the norm and maintaining collection rate above 95%	Gross debtors	91 587 575	Bad debts Provision	19 000 000	Billed Revenue	800 899 384												
Gross debtors	91 587 575																						
Bad debts Provision	19 000 000																						
Billed Revenue	800 899 384																						
C. Liquidity Management																							
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	<table><tr><td>Cash and cash equivalents</td><td>382 459 581</td></tr><tr><td>Unspent Conditional Grants</td><td></td></tr><tr><td>Overdraft</td><td></td></tr><tr><td>Short Term Investments</td><td></td></tr><tr><td>Total Annual Operational Expenditure</td><td>899 117 966</td></tr></table> 2017/18 Projected 3	Cash and cash equivalents	382 459 581	Unspent Conditional Grants		Overdraft		Short Term Investments		Total Annual Operational Expenditure	899 117 966								
Cash and cash equivalents	382 459 581																						
Unspent Conditional Grants																							
Overdraft																							
Short Term Investments																							
Total Annual Operational Expenditure	899 117 966																						
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	<table><tr><td>Current Assets</td><td>519 961 454</td></tr><tr><td>Current Liabilities</td><td>186 486 390</td></tr></table> 2017/18 Projected 3	Current Assets	519 961 454	Current Liabilities	186 486 390														
Current Assets	519 961 454																						
Current Liabilities	186 486 390																						
D. Liability Management																							
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	0% - 8%	<table><tr><td>Interest</td><td>47 440 025</td></tr><tr><td>Redemption</td><td>29 568 173</td></tr><tr><td>Total Operating Expenditure</td><td>1 052 186 875</td></tr><tr><td>Taxation Expense</td><td></td></tr></table> 2017/18 Projected 3	Interest	47 440 025	Redemption	29 568 173	Total Operating Expenditure	1 052 186 875	Taxation Expense											
Interest	47 440 025																						
Redemption	29 568 173																						
Total Operating Expenditure	1 052 186 875																						
Taxation Expense																							
2	Debt (Total Borrowings) Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	<table><tr><td>Total Debt</td><td>442 098 381</td></tr><tr><td>Total Operating Revenue</td><td>1 047 840 288</td></tr><tr><td>Operational Conditional Grants</td><td>44 693 972</td></tr></table> 2017/18 Projected 3	Total Debt	442 098 381	Total Operating Revenue	1 047 840 288	Operational Conditional Grants	44 693 972												
Total Debt	442 098 381																						
Total Operating Revenue	1 047 840 288																						
Operational Conditional Grants	44 693 972																						
E. Sustainability																							
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement of Financial Position, Budget and AR	100%	<table><tr><td>Cash and cash Equivalents</td><td>382 459 581</td></tr><tr><td>Bank overdraft</td><td></td></tr><tr><td>Short Term Investment</td><td></td></tr><tr><td>Long Term Investment</td><td>43 421 818</td></tr><tr><td>Unspent Grants</td><td></td></tr><tr><td>Net Assets</td><td>3 342 378 174</td></tr><tr><td>Share Capital</td><td></td></tr><tr><td>Fair Value Adjustment Reserve</td><td></td></tr><tr><td>Accumulated Surplus</td><td>3 321 248 608</td></tr></table> 2017/18 Projected 3	Cash and cash Equivalents	382 459 581	Bank overdraft		Short Term Investment		Long Term Investment	43 421 818	Unspent Grants		Net Assets	3 342 378 174	Share Capital		Fair Value Adjustment Reserve		Accumulated Surplus	3 321 248 608
Cash and cash Equivalents	382 459 581																						
Bank overdraft																							
Short Term Investment																							
Long Term Investment	43 421 818																						
Unspent Grants																							
Net Assets	3 342 378 174																						
Share Capital																							
Fair Value Adjustment Reserve																							
Accumulated Surplus	3 321 248 608																						



## 3. FINANCIAL PERFORMANCE

## A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue}$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue 1 047 840 288 Depreciation - Revised Portion (Only populate if depreciation has been in the Statement of Financial Performance in based on the revised asset value) Total Operating Expenditure 1 052 188 875 Taxation Expense	2017/18 Projected 3	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	Total Electricity Revenue 970 410 419 Total Electricity Expenditure 338 040 812	2017/18 Projected 3	
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Water Revenue 131 026 400 Total Water Expenditure 119 467 559	2017/18 Projected 3	
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Refuse Revenue 71 900 800 Total Refuse Expenditure 87 414 087	2017/18 Projected 3	

5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	Total Sanitation and Waste Water Revenue 87 878 100 Total Sanitation and Waste Water Expenditure 87 348 975	2017/18 Projected 3	
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## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated 248 753 802 Number of units sold 231 134 099	2017/18 Projected 3	
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitre Water Purchased or Purified} - \text{Number of Kilolitre Water Sold}) / \text{Number of Kilolitre Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitres purchased and/or 7 183 705 Number of kilolitres sold 5 683 029	2017/18 Projected 3	

## C. Revenue Management

1	Growth In Number of Active Consumer Accounts	$(\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}) / \text{previous number of Active Debtor Accounts} \times 100$	Debtors System	None	5% Number of Active Debtors Accounts (Previous) 45 428 Number of Active Debtors Accounts (Current) 47 831	2017/18 Projected 3	
2	Revenue Growth (%)	$(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}) / \text{previous period's Total Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	± CPI	5% Total Revenue (Previous) 1 040 080 380 Total Revenue (Current) 1 121 081 474	2017/18 Projected 3	Due to the change in budget
3	Revenue Growth (%) - Excluding capital grants	$(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}) / \text{previous period's Total Revenue excluding capital grants} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	± CPI	Total Revenue Excl. Capital (Previous) 1 004 304 870 Total Revenue Excl. Capital (Current) 1 047 840 288	2017/18 Projected 3	



## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	37 831 670 99 316 621 137 697 878 24 944 951 216 448 707 116 819 818	2017/18 Projected 3	
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2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure Total Operating Expenditure Taxation Expense	- 1 052 198 875 -	2017/18 Projected 3	
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3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councillors Remuneration Total Operating Expenditure Taxation Expense	920 184 727 10 252 914 1 052 198 875 -	2017/18 Projected 3	
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4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	176 456 795 1 052 198 875 -	2017/18 Projected 3	Cost analysis conducted to deliver cost effective services
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## E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	37% 16 963 413 23 200 277 116 819 818	2017/18 Projected 3	
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2	Own funded Capital Expenditure (Internally generated funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	17% 16 963 413 116 819 818	2017/18 Projected 3	
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3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	86% 1 121 081 474 202 658 180 73 441 188	2017/18 Projected 3	
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## BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	116 819 818 116 819 818	2017/18 Projected 3	
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2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	1 052 198 875 1 052 198 875	2017/18 Projected 3	
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3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue Budget Operating Revenue	1 121 081 474 1 121 081 474	2017/18 Projected 3	
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4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	800 699 364 800 699 364	2017/18 Projected 3	
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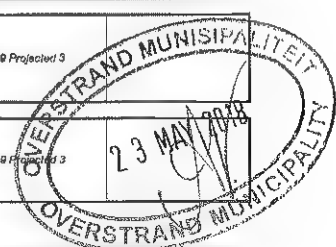




1	Capital Expenditure to Total Expenditure	10% - 20%	2018/19 Projected 3
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	0%	2018/19 Projected 3
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	0%	2018/19 Projected 3

Template for Calculation of Uniform Financial Ratios and Norms 2018/19 Projected

RATIO	FORMULA	DATASOURCE	NORM RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (H)
* R 000 *							
<b>1. FINANCIAL POSITION</b>							
<b>A. Asset Management/Utilisation</b>							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure Tariffion Expense Total Capital Expenditure	1 134 244 712 194 237 061	2018/19 Projected 3
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment / (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	3 559 712 190 101 885 000 5 941 574	2018/19 Projected 3
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	0%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	225 212 452 3 559 712 190 101 885 000	2018/19 Projected 3 Repairs & maintenance comprises 16.51% of total expenditure. Asset value was enhanced with the introduction of GRAP 17 & Depreciated Replacement Cost
<b>B. Debtors Management</b>							
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	Gross Debtors closing balance Gross Debtors opening balance Bad debts written Off Billed Revenue	99 187 575 91 587 575 500 000 848 719 500	2018/19 Projected 3
2	Bad Debts Written-off as a % of Provision for Bad Debts	Bad Debts Written-off / Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off Consumer Debtors Current bad debt Provision	500 000 21 000 000	2018/19 Projected 3 The norm range appears incorrect
3	Net Debtors Days	((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debts Provision Billed Revenue	99 187 575 21 000 000 848 719 500	2018/19 Projected 3 In line with the norm and maintaining collection rate above 90%
<b>C. Liquidity Management</b>							
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investments) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	380 242 339 081 000 474	2018/19 Projected 3
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2 : 1	Current Assets Current Liabilities	523 716 565 216 150 862	2018/19 Projected 3
<b>D. Liability Management</b>							
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	Interest Paid Redemption Total Operating Expenditure Taxation Expense	47 834 480 33 993 032 1 134 244 712	2018/19 Projected 3
2	Debt (Total Borrowings) Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	40%	Overdraft Total Operating Revenue Operational Conditional Grants	482 105 329 1 080 227 753 34 497 953	2018/19 Projected 3
<b>E. Sustainability</b>							
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents Bank Overdraft Short Term Investment Long Term Investment Unspent Grants Net Assets Share Premium Share Capital Revaluation Reserve Fair Value Adjustment Reserve Accumulated Surplus	380 242 339 50 548 287 3 353 187 249 3 340 887 249	2018/19 Projected 3



## 2. FINANCIAL PERFORMANCE

## A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue} \times 100$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue 1 080 227 783 Depreciation - Residual Portion (Only provided if depreciation has been in the Statement of Financial Performance in based on the residual asset value) Total Operating Expenditure 1 134 244 712 Taxation Expense	2018/19 Projected 3	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	Total Electricity Revenue 500 793 083 Total Electricity Expenditure 582 476 578	2018/19 Projected 3	
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Water Revenue 130 412 601 Total Water Expenditure 126 461 809	2018/19 Projected 3	
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	Total Refuse Revenue 77 578 154 Total Refuse Expenditure 78 304 319	2018/19 Projected 3	

5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	Total Sanitation and Waste Water Revenue 88 530 311 Total Sanitation and Waste Water Expenditure 80 807 414	2018/19 Projected 3	
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## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated 259 728 005 Number of units sold 240 355 448	2018/19 Projected 3	
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitre Water Purchased or Purified} - \text{Number of Kilolitre Water Sold}) / \text{Number of Kilolitre Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitre purchased and/or purified 6 948 789 Number of kilolitre sold 5 580 570	2018/19 Projected 3	

## C. Revenue Management

1	Growth In Number of Active Consumer Accounts	$(\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}) / \text{previous number of Active Debtor Accounts} \times 100$	Debtors System	None	Number of Active Debtors Accounts (Previous) 47 681 Number of Active Debtors Accounts (Current) 47 831	2018/19 Projected 3	0%
2	Revenue Growth (%)	$(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}) / \text{previous period's Total Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	CPI 5% Total Revenue (Previous) 1 121 081 474 Total Revenue (Current) 1 142 106 050	2018/19 Projected 3	
3	Revenue Growth (%) - Excluding capital grants	$(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}) / \text{previous period's Total Revenue excluding capital grants} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	CPI 5% Total Revenue Excl. Capital (Previous) 1 047 840 288 Total Revenue Excl. Capital (Current) 1 080 227 783	2018/19 Projected 3	



## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulb Purchases  Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	38 500 000 110 720 277 124 472 104 38 701 282 238 988 340  194 237 061	2018/19 Projected 3	
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2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x 100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure  Total Operating Expenditure  Taxation Expense	  1 134 244 712  	2018/19 Projected 3	
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3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councillors' Remuneration Total Operating Expenditure Taxation Expense	367 024 467 10 972 280 1 134 244 712 	2018/19 Projected 3	
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4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	193 836 858 1 134 244 712 	2018/19 Projected 3	Cost analysis conducted to deliver cost effective services.
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## E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	86% 83 518 898 68 650 089 194 237 061	2018/19 Projected 3	
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2	Own funded Capital Expenditure (Internally generated funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	33% 83 518 898 194 237 061	2018/19 Projected 3	
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3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	89% 1 142 195 050 192 634 250 61 668 267	2018/19 Projected 3	
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## BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	85% - 100%	Actual Capital Expenditure Budget Capital Expenditure	194 237 061 194 237 061	2018/19 Projected 3	
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2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	1 134 244 712 1 134 244 712	2018/19 Projected 3	
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3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue Budget Operating Revenue	1 080 227 753 1 080 227 753	2018/19 Projected 3	
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4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	85% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	948 718 900 948 718 900	2018/19 Projected 3	
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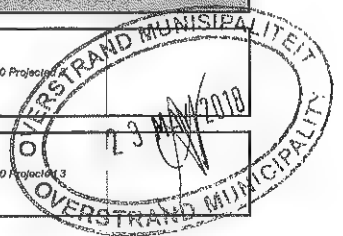




1	Project Cost/Actual Expenditure Ratio = 100%	100%
2	Net Asset/Total Assets Ratio = 100%	100%
3	Capital Expenditure/Total Expenditure Ratio = 100%	100%
4	Repairs and Maintenance/Total Expenditure Ratio = 100%	100%
5	Debt/Total Debt Ratio = 100%	100%
6	Debt/Total Debt Ratio = 100%	100%
7	Debt/Total Debt Ratio = 100%	100%
8	Debt/Total Debt Ratio = 100%	100%
9	Debt/Total Debt Ratio = 100%	100%
10	Debt/Total Debt Ratio = 100%	100%

## Template for Calculation of Uniform Financial Ratios and Norms 2019/20 Projected

RATIO	FORMULA	STATEMENT	UNIT	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS																							
"R 000"																													
1. FINANCIAL POSITION																													
A. Asset Management/Utilisation																													
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	<table><tr><td>Total Operating Expenditure</td><td>1 228 046 508</td></tr><tr><td>Taxation Expense</td><td>-</td></tr><tr><td>Total Capital Expenditure</td><td>134 029 957</td></tr></table>	Total Operating Expenditure	1 228 046 508	Taxation Expense	-	Total Capital Expenditure	134 029 957	2019/20 Projected 3																	
Total Operating Expenditure	1 228 046 508																												
Taxation Expense	-																												
Total Capital Expenditure	134 029 957																												
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets impairment / (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	<table><tr><td>PPE, Investment Property and Intangible Impairment</td><td>-</td></tr><tr><td>PPE at carrying value</td><td>3 584 865 688</td></tr><tr><td>Investment at carrying value</td><td>101 865 000</td></tr><tr><td>Intangible Assets at carrying value</td><td>5 841 574</td></tr></table>	PPE, Investment Property and Intangible Impairment	-	PPE at carrying value	3 584 865 688	Investment at carrying value	101 865 000	Intangible Assets at carrying value	5 841 574	2019/20 Projected 3															
PPE, Investment Property and Intangible Impairment	-																												
PPE at carrying value	3 584 865 688																												
Investment at carrying value	101 865 000																												
Intangible Assets at carrying value	5 841 574																												
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	<table><tr><td>Total Repairs and Maintenance Expenditure</td><td>239 511 874</td></tr><tr><td>PPE at carrying value</td><td>3 584 865 688</td></tr><tr><td>Investment Property at Carrying value</td><td>101 865 000</td></tr></table>	Total Repairs and Maintenance Expenditure	239 511 874	PPE at carrying value	3 584 865 688	Investment Property at Carrying value	101 865 000	2019/20 Projected 3	Repairs & maintenance comprises 16.33% of total expenditure. Asset value was enhanced with the introduction of GRAP 17 on Depreciated Replacement Cost.																
Total Repairs and Maintenance Expenditure	239 511 874																												
PPE at carrying value	3 584 865 688																												
Investment Property at Carrying value	101 865 000																												
B. Debtors Management																													
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	<table><tr><td>Gross Debtors closing balance</td><td>108 787 575</td></tr><tr><td>Gross Debtors opening balance</td><td>98 187 575</td></tr><tr><td>Bad debts written Off</td><td>500 000</td></tr><tr><td>Billed Revenue</td><td>699 562 717</td></tr></table>	Gross Debtors closing balance	108 787 575	Gross Debtors opening balance	98 187 575	Bad debts written Off	500 000	Billed Revenue	699 562 717	2019/20 Projected 3															
Gross Debtors closing balance	108 787 575																												
Gross Debtors opening balance	98 187 575																												
Bad debts written Off	500 000																												
Billed Revenue	699 562 717																												
2	Bad Debts Written-off as a % of Provision for Bad Debt	Bad Debts Written-off / Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	<table><tr><td>Consumer Debtors Bad debts written off</td><td>500 000</td></tr><tr><td>Consumer Debtors Current bad debt Provision</td><td>21 300 000</td></tr></table>	Consumer Debtors Bad debts written off	500 000	Consumer Debtors Current bad debt Provision	21 300 000	2019/20 Projected 3	The norm range appears incorrect																		
Consumer Debtors Bad debts written off	500 000																												
Consumer Debtors Current bad debt Provision	21 300 000																												
3	Net Debtors Days	((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	<table><tr><td>Gross debtors</td><td>108 787 575</td></tr><tr><td>Bad debts Provision</td><td>21 300 000</td></tr><tr><td>Billed Revenue</td><td>699 562 717</td></tr></table>	Gross debtors	108 787 575	Bad debts Provision	21 300 000	Billed Revenue	699 562 717	2019/20 Projected 3	In line with the norm and maintaining collection rate above 90%																
Gross debtors	108 787 575																												
Bad debts Provision	21 300 000																												
Billed Revenue	699 562 717																												
C. Liquidity Management																													
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investments) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	<table><tr><td>Cash and cash equivalents</td><td>391 251 314</td></tr><tr><td>Unspent Conditional Grants</td><td>-</td></tr><tr><td>Overdraft</td><td>-</td></tr><tr><td>Short Term Investments</td><td>-</td></tr><tr><td>Total Annual Operational Expenditure</td><td>1 228 046 508</td></tr></table>	Cash and cash equivalents	391 251 314	Unspent Conditional Grants	-	Overdraft	-	Short Term Investments	-	Total Annual Operational Expenditure	1 228 046 508	2019/20 Projected 3													
Cash and cash equivalents	391 251 314																												
Unspent Conditional Grants	-																												
Overdraft	-																												
Short Term Investments	-																												
Total Annual Operational Expenditure	1 228 046 508																												
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	<table><tr><td>Current Assets</td><td>549 027 840</td></tr><tr><td>Current Liabilities</td><td>221 287 295</td></tr></table>	Current Assets	549 027 840	Current Liabilities	221 287 295	2019/20 Projected 3																			
Current Assets	549 027 840																												
Current Liabilities	221 287 295																												
D. Liability Management																													
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	<table><tr><td>Interest Paid</td><td>50 433 000</td></tr><tr><td>Redemption</td><td>38 428 449</td></tr><tr><td>Total Operating Expenditure</td><td>1 228 046 508</td></tr><tr><td>Taxation Expense</td><td>-</td></tr></table>	Interest Paid	50 433 000	Redemption	38 428 449	Total Operating Expenditure	1 228 046 508	Taxation Expense	-	2019/20 Projected 3															
Interest Paid	50 433 000																												
Redemption	38 428 449																												
Total Operating Expenditure	1 228 046 508																												
Taxation Expense	-																												
2	Debt (Total Borrowings) Revenue	(Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	<table><tr><td>Total Debt</td><td>477 876 890</td></tr><tr><td>Total Operating Revenue</td><td>1 172 169 374</td></tr><tr><td>Operational Conditional Grants</td><td>50 875 043</td></tr></table>	Total Debt	477 876 890	Total Operating Revenue	1 172 169 374	Operational Conditional Grants	50 875 043	2019/20 Projected 3																	
Total Debt	477 876 890																												
Total Operating Revenue	1 172 169 374																												
Operational Conditional Grants	50 875 043																												
E. Sustainability																													
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	<table><tr><td>Cash and cash equivalents</td><td>391 251 314</td></tr><tr><td>Bank Overdraft</td><td>-</td></tr><tr><td>Short Term Investment</td><td>-</td></tr><tr><td>Long Term Investment</td><td>67 885 203</td></tr><tr><td>Unspent Grants</td><td>-</td></tr><tr><td>Net Assets</td><td>3 359 979 874</td></tr><tr><td>Share Premium</td><td>-</td></tr><tr><td>Share Capital</td><td>-</td></tr><tr><td>Revaluation Reserve</td><td>-</td></tr><tr><td>Fair Value Adjustment Reserve</td><td>-</td></tr><tr><td>Accumulated Surplus</td><td>3 353 039 874</td></tr></table>	Cash and cash equivalents	391 251 314	Bank Overdraft	-	Short Term Investment	-	Long Term Investment	67 885 203	Unspent Grants	-	Net Assets	3 359 979 874	Share Premium	-	Share Capital	-	Revaluation Reserve	-	Fair Value Adjustment Reserve	-	Accumulated Surplus	3 353 039 874	2019/20 Projected 3	
Cash and cash equivalents	391 251 314																												
Bank Overdraft	-																												
Short Term Investment	-																												
Long Term Investment	67 885 203																												
Unspent Grants	-																												
Net Assets	3 359 979 874																												
Share Premium	-																												
Share Capital	-																												
Revaluation Reserve	-																												
Fair Value Adjustment Reserve	-																												
Accumulated Surplus	3 353 039 874																												



## 2. FINANCIAL PERFORMANCE

## A. Efficiency

1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue} \times 100$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	$\geq 0\%$	Total Operating Revenue 1 172 169 174 Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value) Total Operating Expenditure 1 229 046 509 Taxation Expense	2019/20 Projected 3	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure.
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$\geq 0\%$	Total Electricity Revenue 422 870 201 Total Electricity Expenditure 385 571 669	2019/20 Projected 3	
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$\geq 0\%$	Total Water Revenue 143 633 779 Total Water Expenditure 132 694 270	2019/20 Projected 3	
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$\geq 0\%$	Total Refuse Revenue 81 949 218 Total Refuse Expenditure 80 923 235	2019/20 Projected 3	

5	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$\geq 0\%$	Total Sanitation and Waste Water Revenue 101 243 524 Total Sanitation and Waste Water Expenditure 100 113 318	2019/20 Projected 3	
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## B. Distribution Losses

1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	Number of units purchased and/or generated 269 820 772 Number of units sold 249 762 392	2019/20 Projected 3	
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	Number of kilolitres purchased and/or purified 7 137 818 Number of kilolitres sold 5 770 212	2019/20 Projected 3	

## C. Revenue Management

1	Growth In Number of Active Consumer Accounts	$(\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}) / \text{previous number of Active Debtor Accounts} \times 100$	Debtors System	None	Number of Active Debtors Accounts (Previous) 47 551 Number of Active Debtors Accounts (Current) 47 631	2019/20 Projected 3	
2	Revenue Growth (%)	$(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}) / \text{previous period's Total Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$\geq \text{CPI}$	CPI 5% Total Revenue (Previous) 1 142 190 050 Total Revenue (Current) 1 230 699 131	2019/20 Projected 3	Due to the change in budget
3	Revenue Growth (%) - Excluding capital grants	$(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}) / \text{previous period's Total Revenue excluding capital grants} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$\geq \text{CPI}$	CPI 5% Total Revenue Excl. Capital (Previous) 1 089 287 753 Total Revenue Excl. Capital (Current) 1 172 169 174	2019/20 Projected 3	Due to the change in budget





## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	40 810 000 124 426 582 133 937 977 42 749 231 255 809 728 134 029 957	2019/20 Projected 3	
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure Total Operating Expenditure Taxation Expense	 1 229 048 506 	2019/20 Projected 3	
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councilors Remuneration Total Operating Expenditure Taxation Expense	387 518 184 11 518 184 1 229 048 506 	2019/20 Projected 3	
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	213 119 459 1 229 048 506 	2019/20 Projected 3	Cost analysis conducted to deliver cost effective services

## E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	56% 21 500 000 54 000 000 134 029 957	2019/20 Projected 3	
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	16% 21 500 000 134 029 957	2019/20 Projected 3	
3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	86% 1 230 899 181 225 588 000 58 329 957	2019/20 Projected 3	

## BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	134 029 957 134 029 957	2019/20 Projected 3	
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	1 229 048 506 1 229 048 506	2019/20 Projected 3	
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue Budget Operating Revenue	1 172 169 174 1 172 169 174	2019/20 Projected 3	
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	899 582 717 899 582 717	2019/20 Projected 3	

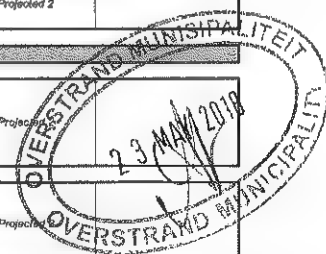




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## Template for Calculation of Uniform Financial Ratios and Norms 2020/21 Projected

RATIO	FORMULA	DATASOURCE	THRESHOLD	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (if)
* R 000 *						
1. FINANCIAL POSITION						
A. Asset Management/Utilisation						
1	Capital Expenditure to Total Expenditure Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure Taxation Expense Total Capital Expenditure	1 258 427 667 197 248 905 2020/21 Projected 2	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value) Property, Plant and Equipment + Investment Property + Intangible Assets Impairment / (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment PPE at carrying value Investment at carrying value Intangible Assets at carrying value	3 574 218 368 101 885 000 5 941 574 2020/21 Projected 2	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value) Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure PPE at carrying value Investment Property at Carrying value	252 118 020 3 574 218 368 101 885 000 2020/21 Projected 2	Repairs & maintenance comprises 18.31% of total expenditure. Asset value was enhanced with the introduction of GRAP 17, i.e. Depreciated Replacement Cost
B. Debtors Management						
1	Collection Rate (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) / Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	Gross Debtors closing balance Gross Debtors opening balance Bad debts written Off Billed Revenue	107 855 451 108 787 575 500 000 953 471 031 2020/21 Projected 2	
2	Bad Debts Written-off as % of Provision for Bad Debt Bad Debts Written-off / Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	Consumer Debtors Bad debts written off Consumer Debtors Current bad debt provision	500 000 21 600 000 2020/21 Projected 2	The norm/vange appears incorrect
3	Net Debtors Days ((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	Gross debtors Bad debt Provision Billed Revenue	107 855 451 21 600 000 953 471 031 2020/21 Projected 2	In line with the norm and maintaining collection rate above 90%
C. Liquidity Management						
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investments) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash and cash equivalents Unspent Conditional Grants Overdraft Short Term Investments Total Annual Operational Expenditure	369 187 961 2020/21 Projected 2	
2	Current Ratio Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets Current Liabilities	557 948 072 207 020 234 2020/21 Projected 2	
D. Liquidity Management						
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	0% - 8%	Interest Paid Redemption Total Operating Expenditure Taxation Expense	52 084 070 41 836 480 1 258 427 667 2020/21 Projected 2	
2	Debt (Total Borrowings) Revenue (Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	40%	Interest Paid Total Operating Revenue Operational Conditional Grants	490 040 420 1 225 944 446 2020/21 Projected 2	
E. Sustainability						
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus) (Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents Bank Overdraft Short Term Investment Long Term Investment Unspent Grants Net Assets Share Premium Share Capital Revaluation Reserve Fair Value Adjustment Reserve Accumulated Surplus	369 187 961 65 460 010 3 388 155 281 2020/21 Projected 2	



2. FINANCIAL PERFORMANCE							
A. Efficiency							
1	Net Operating Surplus Margin	$(\text{Total Operating Revenue} - \text{Total Operating Expenditure}) / \text{Total Operating Revenue} \times 100$	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	$= \text{ or } > 0\%$	Total Operating Revenue Depreciation - Revalued Portion (Only reported if depreciation line item in the Statement of Financial Performance is based on the revalued asset value) Total Operating Expenditure Taxation Expense	1 225 944 448 2020/21 Projected 2 1 258 427 967	With the introduction of GRAP assets were assessed at DRC, which included assets already depreciated but adjusted because of useful remaining life. Due to increased depreciation this indicator is not a true reflection of cash backed revenue surplus to expenditure
2	Net Surplus /Deficit Electricity	$\text{Total Electricity Revenue less Total Electricity Expenditure} / \text{Total Electricity Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$0\% - 15\%$	Total Electricity Revenue Total Electricity Expenditure	448 613 011 408 954 639 2020/21 Projected 2	
3	Net Surplus /Deficit Water	$\text{Total Water Revenue less Total Water Expenditure} / \text{Total Water Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{ or } > 0\%$	Total Water Revenue Total Water Expenditure	154 132 525 137 180 980 2020/21 Projected 2	
4	Net Surplus /Deficit Refuse	$\text{Total Refuse Revenue less Total Refuse Expenditure} / \text{Total Refuse Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{ or } > 0\%$	Total Refuse Revenue Total Refuse Expenditure	87 646 512 35 865 310 2020/21 Projected 2	
6	Net Surplus /Deficit Sanitation and Waste Water	$\text{Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure} / \text{Total Sanitation and Waste Water Revenue} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$= \text{ or } > 0\%$	Total Sanitation and Waste Water Revenue Total Sanitation and Waste Water Expenditure	112 737 272 104 924 794 2020/21 Projected 2	
B. Distribution Losses							
1	Electricity Distribution Losses (Percentage)	$(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of units sold}) / \text{Number of Electricity Units Purchased and/or generated} \times 100$	Annual Report, Audit Report and Notes	$7\% - 10\%$	Number of units purchased and/or generated Number of units sold	274 473 007 259 781 127 2020/21 Projected 2	
2	Water Distribution Losses (Percentage)	$(\text{Number of Kilolitres Water Purchased or Purified} - \text{Number of Kilolitres Water Sold}) / \text{Number of Kilolitres Water Purchased or Purified} \times 100$	Annual Report, Audit Report and Notes to Annual Financial Statements	$15\% - 30\%$	Number of Kilolitres purchased and/or purified Number of Kilolitres sold	7 335 347 5 970 239 2020/21 Projected 2	
C. Revenue Management							
1	Growth in Number of Active Consumer Accounts	$(\text{Period under review's number of Active Debtor Accounts} - \text{previous period's number of Active Debtor Accounts}) / \text{previous number of Active Debtor Accounts} \times 100$	Debtors System	Note	Number of Active Debtors Accounts (Previous) Number of Active Debtors Accounts (Current)	0% 47.63% 47.63% 2020/21 Projected 2	
2	Revenue Growth (%)	$(\text{Period under review's Total Revenue} - \text{previous period's Total Revenue}) / \text{previous period's Total Revenue} \times 100$	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	$= \text{ CPI}$	CPI Total Revenue (Previous) Total Revenue (Current)	8% 1 230 999 131 1 289 193 333 2020/21 Projected 2	
3	Revenue Growth (%) - Excluding capital grants	$(\text{Period under review's Total Revenue Excluding capital grants} - \text{previous period's Total Revenue excluding capital grants}) / \text{previous period's Total Revenue excluding capital grants} \times 100$	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	$= \text{ CPI}$	CPI Total Revenue Excl.Capital (Previous) Total Revenue Excl.Capital (Current)	8% 1 172 109 174 1 225 944 448 2020/21 Projected 2	



## D. Expenditure Management

1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	Trade Creditors Contracted Services Repairs and Maintenance General expenses Bulk Purchases  Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)	43 258 600 120 822 740 141 766 466 43 001 345 273 855 538  137 248 905	2020/21 Projected 2	
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2	Irregular, Fruitless and Wasteful and Unauthorized Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorized Expenditure) / Total Operating Expenditure x 100	Statement of Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorized Expenditure  Total Operating Expenditure Taxation Expense	  1 258 427 967 -	2020/21 Projected 2	
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3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost Councilors Remuneration Total Operating Expenditure Taxation Expense	408 084 845 12 061 449 1 258 427 967 -	2020/21 Projected 2	
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4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services Total Operating Expenditure Taxation Expense	214 980 132 1 258 427 967 -	2020/21 Projected 2	Cost analysis conducted to deliver cost effective services
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## E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Borrowings Total Capital Expenditure	54% 20 000 000 54 000 000 137 248 905	2020/21 Projected 2	
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2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	Internally generated funds Total Capital Expenditure	15% 20 000 000 137 248 905	2020/21 Projected 2	
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3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	None	Total Revenue Government grant and subsidies Public contributions and Donations Capital Grants	87% 1 289 193 353 225 338 000 63 248 905	2020/21 Projected 2	
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## BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	Actual Capital Expenditure Budget Capital Expenditure	137 248 905 137 248 905	2020/21 Projected 2	
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2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Expenditure Budget Operating Expenditure	1 258 427 967 1 258 427 967	2020/21 Projected 2	
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3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Operating Revenue Budget Operating Revenue	1 225 944 449 1 225 944 449	2020/21 Projected 2	
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4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	Actual Service Charges and Property Rates Revenue Budget Service Charges and Property Rates Revenue	953 471 051 953 471 051	2020/21 Projected 2	
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Name Of Municipality		WC032 OVERSTRAND						
Ratio Analysis Report			Revised	Audited	Projected			
		Norm	2016	2017	2018	2019	2020	2021
<b>FINANCIAL POSITION</b>								
Asset Management/Utilisation								
1	Capital Expenditure to Total Expenditure	10% - 20%			10%	15%	10%	
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	0%	0%	0%	0%	0%	0%	
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	8%	5%	7%	5%	5%	7%	
Debtors Management								
1	Collection Rate	95%	94%	93%	93%	94%	94%	94%
2	Bad Debts Written-off as % of Provision for Bad Debt	100%	13%	8%	8%	8%	8%	8%
3	Net Debtors Days	30 days	29 days	27 days				
Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	1 - 3 Months	1 Month	1 Month	1 Month	1 Month	1 Month	1 Month
2	Current Ratio	1.5 - 2:1	1.5	1.2	1.2	1.2	1.2	1.2
Liability Management								
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	6% - 8%	7%	7%	7%	7%	7%	7%
2	Debt (Total Borrowings) / Revenue	45%						
<b>FINANCIAL PERFORMANCE</b>								
Efficiency								
1	Net Operating Surplus Margin	= or > 0%	9%	9%	9%	7%	5%	9%
2	Net Surplus /Deficit Electricity	0% - 15%	29%	33%	9%	4%	3%	11%
3	Net Surplus /Deficit Water	= or > 0%	7%	1%	6%	17%	1%	2%
4	Net Surplus /Deficit Refuse	= or > 0%	12%	12%	11%	7%	1%	7%
5	Net Surplus /Deficit Sanitation and Waste Water	= or > 0%						
Distribution Losses								
1	Electricity Distribution Losses (Percentage)	7% - 10%	6%	7%	8%	7%	8%	8%
2	Water Distribution Losses (Percentage)	15% - 30%	11%	11%	12%	10%	10%	12%
Revenue Management								
1	Growth in Number of Active Consumer Accounts	None	2%	1%	5%	0%	0%	0%
2	Revenue Growth (%)	= CPI	15%	15%	16%	16%	16%	16%
3	Revenue Growth (%) - Excluding capital grants	= CPI	15%	15%	16%	16%	16%	16%
Expenditure Management								
1	Creditors Payment Period (Trade Creditors)	30 days	23 days	24 days	23 days	20 days	22 days	22 days
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	0%	0%	1%	0%	0%	0%	0%
3	Remuneration as % of Total Operating Expenditure	25% - 40%	30%	30%	12%	13%	12%	13%
4	Contracted Services % of Total Operating Expenditure	2% - 5%	12%	17%	17%	17%	14%	16%
Grant Dependency								
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	None	56%	65%	37%	68%	56%	54%
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	None	8%	16%	17%	31%	16%	15%
3	Own Source Revenue to Total Operating Revenue (Including Agency Revenue)	None	83%	83%	88%	88%	88%	82%
<b>BUDGET IMPLEMENTATION</b>								
1	Capital Expenditure Budget Implementation Indicator	95% - 100%	94%	92%	100%	100%	100%	100%
2	Operating Expenditure Budget Implementation Indicator	95% - 100%	95%	98%	100%	100%	100%	100%
3	Operating Revenue Budget Implementation Indicator	95% - 100%	100%	100%	100%	100%	100%	100%
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	95% - 100%	97%	100%	100%	100%	100%	100%





## **ANNEXURE I**

# **mSCOA REGULATIONS & IMPLEMENTATION**









# Government Gazette Staatskoerant

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**GOVERNMENT NOTICE**

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**NATIONAL TREASURY****No. R. 312****22 April 2014****LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003:  
MUNICIPAL REGULATIONS ON STANDARD CHART OF ACCOUNTS**

The Minister of Finance has, in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, made the regulations as set out in the Annexure.



**ANNEXURE****Preamble**

Section 216 of the Constitution of the Republic of South Africa, 1996, provides that national legislation must prescribe measures to ensure transparency and expenditure control in each sphere of government by introducing generally recognised accounting practice, uniform expenditure classifications and uniform treasury norms and standards. The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), determines those measures for the local sphere of government and enables the Minister of Finance to further prescribe by regulation such measures in terms of section 168 thereof. The National Treasury is responsible for enforcing compliance with such measures, in addition to those functions assigned to it in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The National Treasury must compile national accounts incorporating all three spheres of government.

Uniform expenditure classifications have already been established and implemented for national and provincial government departments. These Regulations propose segments and a classification framework for the standard chart of accounts to be applied in local government in similar form to that implemented for national and provincial government departments. In order to enable the National Treasury to provide consolidated local government information for incorporation in national accounts, national policy and other purposes, it must obtain financial information from individual municipalities. Currently, each municipality manages and reports on its financial affairs in accordance with its own organisational structure and unique chart of accounts. The result is a disjuncture amongst municipalities and municipal entities and between municipalities and the other spheres of government as to how they classify revenue and expenditure and consequently report thereon. This compromises transparency, reliability and accuracy throughout the planning and reporting process and impedes the ability of national government to integrate information and to formulate coherent policies in response to the objectives of local government.

Therefore it is necessary for the Minister of Finance to specify national norms and standards for the recording and collection of local government budget, financial and non-financial information which will include in some instances the specification of information required for national policy coordination and reporting. This will result in an improved understanding of the role of local government in the broader national policy framework and linkage to other government functions.

The Municipal Budget and Reporting Regulations, 2009, provide for the formalisation of norms and standards in order to improve the credibility, sustainability, transparency, accuracy and reliability of municipal budgets. The prescribed budget formats provide the framework for the identification of the categories of municipal



financial and non-financial information required in developing municipal budgets. A key objective of the proposed Regulations is to enable the alignment of budget information with information captured in the course of the implementation of the budget.

Additional key objectives, which also illustrate the potential benefits, include-

- (a) improved data quality and credibility;
- (b) the achievement of a greater level of standardisation;
- (c) the development of uniform data sets critical for 'whole-of-government' reporting;
- (d) the standardisation and alignment of the 'local government accountability cycle' by the regulation of not only the budget and in-year reporting formats but also the annual report and annual financial statement formats;
- (e) the creation of the opportunity to standardise key business processes with the consequential introduction of further consistency in the management of municipal finances;
- (f) improved transparency, accountability and governance through uniform recording of transactions at posting account level detail;
- (g) enabling deeper data analysis and sector comparisons to improve financial performance; and
- (h) the standardisation of the account classification to facilitate mobility in financial skills within local government and between local government and other spheres as well as the private sector and to enhance the ability of local government to attract and retain skilled personnel.

These Regulations apply to all municipalities and municipal entities and indicate its applicability and relevance to each specific municipal environment while accommodating organisational uniqueness and structural differences. These Regulations also proposes the specification of minimum business process requirements for municipalities and municipal entities as well as the implementation of processes within an integrated transaction processing environment.



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## SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES

### CHAPTER 1

#### INTERPRETATION, OBJECT AND APPLICATION

##### Definitions

1. In these Regulations, a word or expression to which a meaning has been assigned in the Regulation has the same meaning as in the Act and unless the context indicates otherwise—

**"Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**"board of directors"**, in relation to a municipal entity, has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**"business processes"** means the set of activities taking place from the initiation of a process within a municipality or municipal entity to the completion thereof;

**"classification framework"** means the classification framework provided for in the standard chart of accounts;

**"Director-General"** means the Director-General of the National Treasury;

**"general ledger"** means the central depository of accounting data transferred from all sub-ledgers;

**"minimum business process requirements"** means the set of minimum components of all business processes determined in terms of regulation 6;

**"minimum system requirements"** means those specifications for an integrated software solution, incorporating an enterprise resource management system determined in terms of regulation 7;

**"municipal entity"** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000;

**"municipal council"** has the meaning assigned to it in section 1 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**"municipality"** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000;

**"SCOA Committee"** means the Technical Committee for the Standard Chart of Accounts for municipalities and municipal entities established by regulation 8; and





**"standard chart of accounts"** means a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.

### **Object of these Regulations**

2. The object of these Regulations is to provide for a national standard for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities which—

- (a) are aligned to the budget formats and accounting standards prescribed for municipalities and municipal entities and with the standard charts of accounts for national and provincial government; and
- (b) enable uniform information sets recorded in terms of national norms and standards across the whole of government for the purposes of national policy coordination and reporting, benchmarking and performance measurement in the local government sphere.

### **Application of these Regulations**

3. These Regulations apply to all municipalities and municipal entities.

## **CHAPTER 2**

### **STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES AND MUNICIPAL ENTITIES**

#### **Segments and classification framework for the standard chart of accounts**

4.(1) The standard chart of accounts for a municipality or municipal entity must contain the segments as set out in the Schedule.

(2) The Minister must, by notice on the website of the National Treasury, determine the classification framework provided for in the standard chart of accounts.



**Implementation requirements**

5.(1) The standard chart of accounts of a municipality or municipal entity—

- (a) must contain the segments in the Schedule as required by regulation 4(1);
- (b) must accurately record all financial transactions and data in the applicable segment; and
- (c) may not contain data which is mapped or extrapolated or which otherwise does not reflect transactions recorded or measured by the municipality or municipal entity.

(2) The financial and business applications or systems used by a municipality or municipal entity must—

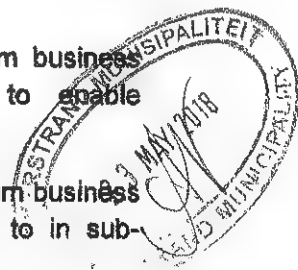
- (a) provide for the hosting of the general ledger structured in accordance with the classification framework determined in terms of regulation 4(2);
- (b) be capable of accommodating and operating the standard chart of accounts;
- (c) provide a portal allowing for free access, for information purposes, to the general ledger of the municipality or municipal entity, by any person authorised by the Director-General or the Accounting officer of the municipality.

(3) Each municipality and municipal entity must have, or have access to, computer hardware with sufficient capacity to run the software which complies with the requirements in sub-regulation (2).

**CHAPTER 3****MINIMUM BUSINESS PROCESS AND SYSTEM REQUIREMENTS****Minimum business process requirements**

6.(1) The Minister may, by notice in the *Gazette*, determine minimum business process requirements for municipalities and municipal entities to enable implementation of regulations 4 and 5.

(2) Each municipality and municipal entity must implement the minimum business process requirements by the date determined in the notice referred to in sub-regulation (1).



**Minimum system requirements**

7.(1) The Minister may, by notice in the *Gazette*, determine the minimum system requirements for municipalities and municipal entities to enable implementation of regulations 4 and 5.

(2) Each municipality and municipal entity must implement the minimum system requirements by the date determined in the notice referred to in sub-regulation (1).

**CHAPTER 4****TECHNICAL COMMITTEE FOR STANDARD CHART OF ACCOUNTS****Establishment of Technical Committee for Standard Chart of Accounts**

8. A committee known as the Technical Committee for the Standard Chart of Accounts is hereby established as a structure of the National Treasury.

**Composition of SCOA Committee**

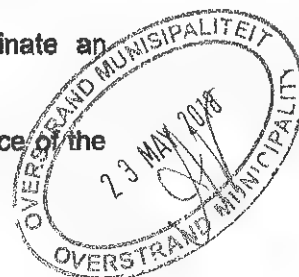
9.(1) The SCOA Committee must consist of—

- (a) a chairperson;
- (b) a deputy chairperson;
- (c) five other members, each representing the functional areas of public finance, intergovernmental relations, accounting, budget office and supply chain management; and
- (d) such further members as the Director-General considers necessary;

(2) The Director-General must designate employees of the National Treasury as members of the SCOA Committee in the respective capacities for a term of three years.

(3) A member referred to in sub-regulation (1)(c) or (d) may nominate an alternate to act in that member's stead if unavailable.

(4) The deputy chairperson of the SCOA Committee must act in the place of the chairperson of the Committee if unavailable.



(5) The Director General must take all reasonable steps to ensure that the SCOA Committee is provided with the technical, administrative, financial and logistical resources to enable it to fulfil its function and must determine its procedures.

#### **Functions of SCOA Committee**

**10. The SCOA Committee—**

- (a) must review the classification framework and, where required, make recommendations to the Minister on amendments to that framework;
- (b) must develop guidelines and training material that are aligned to the classification framework determined from time to time in terms of regulation 4(2);
- (c) must review the implementation of the standard chart of accounts in government as a whole to ensure the alignment of the standard chart of accounts provided for in these Regulations and the standard chart of accounts applicable in national and provincial government;
- (d) when required to align these Regulations with changes to other legislation applicable to local government, must make recommendations to the Minister on amendments to these Regulations;
- (e) must undertake such other functions relating to the implementation of these Regulations as the Minister may direct;
- (f) may make recommendations to the Director-General and the Minister on any matter referred to in paragraphs (b), (c) and (e); and
- (g) must undertake any functions necessarily ancillary to any matter referred to in paragraphs (a) to (f).

#### **Meetings of SCOA Committee**

11. The chairperson of the SCOA Technical Committee or the Director-General may, as required, convene meetings of the Committee, but the Committee must convene at least once a year.



**CHAPTER 5****RESPONSIBILITIES OF MUNICIPAL FUNCTIONARIES****Responsibilities of municipal councils and boards of directors**

12. The municipal council of a municipality and the board of directors of a municipal entity must take the necessary steps to ensure that these Regulations are implemented by the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

**Responsibilities of accounting officers**

13. The accounting officer of a municipality or municipal entity must take all necessary steps to ensure that these Regulations are implemented by at least—

- (a) delegating the necessary powers and duties to the appropriate officials;
- (b) ensuring that the responsible officials have the necessary capacity by providing for training and ensuring that they attend training or workshops provided by the National Treasury;
- (c) ensuring that the financial and business applications of the municipality or municipal entity have the capacity to accommodate the implementation of these Regulations and that the required modifications or upgrades are implemented; and
- (d) submitting reports and recommendations to the municipal council or the board of directors, as the case may be, that provide for the adoption of any resolutions, policies and budgetary provisions necessary for the implementation of these Regulations.

**CHAPTER 6****GENERAL****Access by National Treasury**

14.(1) All municipalities and municipal entities must ensure that—

- (a) the business and financial applications used by them incorporate a portal allowing for free access to their general ledgers for information purposes to any person authorised by the Director-General; and
- (b) such access is provided.



(2) The accounting officer of a municipality and a municipal entity must ensure that its system providers cooperate with the National Treasury to implement the necessary programme amendments to provide the standard of access required by the National Treasury.

(3) The National Treasury may use any of the information to which it has access in terms of this regulation for the purposes of—

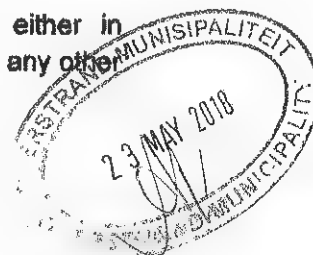
- (a) preparing national accounts for the whole of government;
- (b) development of consolidated accounts for the local government sphere;
- (c) verifying the correctness of municipal financial and business information;
- (d) assessment of municipal financial performance and benchmarking; and
- (e) fulfilling any obligations in terms of legislation.

#### **Postponement of implementation and exemption**

15.(1) The Minister may, by notice in the *Gazette* on good cause shown by a municipality or municipal entity and after considering any recommendations of the SCOA Committee, exempt such municipality or municipal entity from the application of a provision of these Regulations, for the period and on the conditions determined in the notice.

(2) A postponement or exemption in terms of sub-regulation (1) may—

- (a) apply to—
  - (i) municipalities generally; or
  - (ii) municipal entities generally, or
- (b) be limited in its application to a particular—
  - (i) municipality;
  - (ii) category of municipalities, which may be defined either in relation to a type or budgetary size of municipality or in any other manner;
  - (iii) municipal entity; or



- (iv) a category of municipal entities, which may either in relation to a type or budgetary size of municipal entity or in any other manner.

**Short title and commencement**

16. These Regulations are called the Standard Chart of Accounts for Local Government Regulations, 2014, and take effect on 1 July 2017.



**SCHEDULE****SEGMENTS OF STANDARD CHART OF ACCOUNTS FOR MUNICIPALITIES  
AND MUNICIPAL ENTITIES**

The standard chart of accounts must consist of at least the following segments, each of which incorporates a classification within the general ledger to record transaction information identified by codes within fields within the database:

**Funding Segment**

1. This segment identifies the various sources of funding available to municipalities and municipal entities for financing expenditure relating to the operation of the municipality and provides for both capital and operational spending. The appropriate classification code of a transaction in this segment will be determined according to the source of funding against which a payment is allocated and the source of revenue against which income is received.

**Function Segment**

2. This segment provides for the classification of the transaction according to the function or service delivery objective and provides for the standardisation of functions and sub-functions across local government with due regard to specific service delivery activities and responsibilities of each individual municipality or municipal entity.

**Municipal Standard Classification Segment**

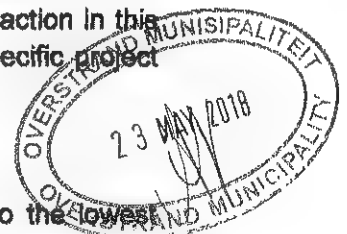
3. This segment provides for the organisational structure and functionality of an individual municipality, which is not prescribed, but must incorporate the structure and functionality as determined by that municipality.

**Project Segment**

4. This segment provides for the classification of capital and operating projects as provided for in the integrated development plan, as provided for in the Municipal Structures Act, 1998 (Act No. 117 of 1998), and funded in the budget and records information on spending as against the budget as well as the utilisation of funds provided for the project. The appropriate classification code of a transaction in this segment will be determined on the basis of whether it relates to a specific project and if so, the type of project.

**Regional Indicator Segment**

5. This segment identifies and assigns government expenditure to the lowest relevant geographical region as prescribed and the appropriate classification code will be determined according to the defined geographical area within which the





intended beneficiaries of the service or capital investment are located who are deriving the benefit from the transaction.

#### **Item Segment**

6. This segment provides for the classification of item detail in the presentation of the financial position, performance and cash flow of the municipality or municipal entity. The appropriate classification code will be determined according to the nature of the transaction either as revenue, expenditure, asset, liability or net asset.

#### **Costing Segment**

7. This segment provides for a classification structure for secondary cost elements and acts as a cost collector in determining inter alia total cost of a service or function, identification of productivity inefficiencies and tariff determination of municipal services. Classification codes are identified with reference to departmental charges, internal billing and activity based recoveries for purposes of recording specific activities and functions in terms of their unit costs and cost categories.





## **MUNICIPAL REGULATIONS ON A STANDARD CHART OF ACCOUNTS (mSCOA):**

### **POST IMPLEMENTATION STATUS OF THE mSCOA PROJECT – 30 MAY 2018**

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#### **Executive Summary**

The purpose of this submission to Council is to:

- 1) Inform Council on specific initiatives to date by National Treasury to enable a full and complete understanding of the scope and extent of the SCOA implementation as applicable to all municipalities and municipal entities;
- 2) Report to Council on progress made to date with the implementation of mSCOA at the Overstrand Municipality since the previous report to Council in September 2017;
- 3) Maintain an on-going awareness of specific mSCOA initiatives in the Overstrand Municipality; and
- 4) Considerations on the way forward with the core financial system, being SamrasClassic, currently in use by the Overstrand Municipality.

#### **Updated status of the mSCOA Project since the tabling of the Draft Budget Report 2018-2019 on 30 March 2018:**

##### **mSCOA Data Submission Status Update – 30 May 2018**

The national and provincial treasuries have communicated on various occasions with municipalities around the successful submissions of data strings and the alignment of the C-Schedules, as the next stage of the mSCOA implementation.

National Treasury is now intensifying efforts to encourage municipalities to meet the following priorities by 31 May 2018:

- 1) Submission of TABB (Tabled Budget) data strings for 2018/19: Deadline was 5 April 2018 (as per budget circular);
- 2) Submission of PRTA (Project Detail Tabled Budget) data strings for 2018/19;
- 3) Submission of M01 to M10 (Monthly, cumulative) for 2017/18: Deadline is 10 working days after the end of the month.

The requirement is 100% compliance in respect of the successful submission (stage 1 and 2) of the above data strings by 31 May 2018.

Overstrand Municipality has already complied, to a large extent, to these requirements and will now focus on the few submissions that still reflect an error validation status.

#### **Background/Discussion**

(Information now following in this report attempts to provide the background to requirement for this report to Council, and has already previously been reported to Council)

As required by National Treasury, the mSCOA Project went live on 01 July 2017 based on the mSCOA Release Version 6.1. Although the core financial system is currently fully operational and functional, there still remain some material issues and constraints to achieve full mSCOA compliance.

### **National Treasury Directives and Technical Specifications**

Due to the continuous changes in directives and amendments to the initial mSCOA implementation frameworks and technical system design specifications as issued by National Treasury since July 2015, it is fair and reasonable to accept that the sum total and impact of all the scope changes introduced by National Treasury to the initial scope of mSCOA implementation project plan, and in such a fragmented fashion, will still impose certain potential risks to the successful implementation of mSCOA in totality.

### **Vendor Technical Systems Design and Development Strategies**

During the piloting process, based on circumstances, the vendor decided to retain its current legacy system and database architectures for all transactional processing, and to develop a separate Web-portal architecture as required by National Treasury for Budgeting and Reporting purposes for the mSCOA implementation phase up to 1 July 2017.

Development of the remainder of the mSCOA functional requirements for implementation was envisaged by not later than 31 September 2017, to coincide with the commencement of Budget planning cycle for the next financial year: 2018/2019, which, at the time made good business sense, given the scope of the transversal tender, RT25-2016 functional requirements as well.

It was thus also the intent of the vendor to decommission its legacy system and database architectures and to migrate all the municipal financial data to a new Web-enabled systems and database architecture, to also coincide with the commencement of the budget planning cycle for 2018/2019.

The Vendor informed the municipality during the User Acceptance Testing phase prior to 1 July 2017, that they will not be able to implement in accordance to the time frames as indicated for the intended migration strategy to the new Web-enabled architecture.

At a user group meeting held in October the vendor informed the meeting that the migration to a Web-enable architecture will not take place before 01 July 2018. The Overstrand Municipality as with various other municipalities on a national basis, are currently functional with hybrid systems and database architecture framework.

### **Background/Discussion: Latest Update**

As previously reported to Council, the mSCOA Project went live on 01 July 2017 based on the mSCOA Release Version 6.1 and although the core financial system is currently fully operational and functional, there still remain some material issues and constraints to achieve full mSCOA compliance.

A meeting with the service provider took place in Cape Town on 16 November 2017, where a number of municipalities discussed the most critical challenges with Bytes to ensure that these matters receive the necessary attention. It is crucial that the financial system provides for technical requirements timeously to enable the administration to comply with relevant legislation.

A subsequent meeting, as arranged by the Western Cape Provincial mSCOA Project Manager with the service provider and the municipalities involved, took place on 11 January 2018. The purpose of this meeting was to obtain feedback from Bytes regarding the status update per municipality that details the outstanding activities and planned delivery dates.

The service provider was also notified at the same time that the Western Cape Provincial Treasury, together with municipalities, are working towards 31 March 2018 to ensure that all modules are fully functional and that all 3<sup>rd</sup> Party Integrations are complete and operational.

It is not foreseen that before-mentioned time-line will be achievable, taking into account the outstanding issues regarding most critical modules which still have to be addressed up to the end of March 2018.

#### **National Treasury: The Way Forward With mSCOA**

The implementation of mSCOA Regulations from 01 July 2017 revealed some of the challenges with version 6.1 of the chart that had to be addressed. As a result of this, the chart was updated and version 6.2 was released with the 2018/19 MFMA Budget Circular no. 89. Version 6.2 of the chart will be effective from 2018/19 and must be used to compile the 2018/19 MTREF.

To date the core financial system of the municipality is functional and operational, primarily due to the collective efforts and competence of the Overstrand municipal officials involved with the implementation of mSCOA.

The municipality will keep the Council and National Treasury informed of any changes to the current status.





## **ANNEXURE J**

# **COMMENTS ON THE DRAFT BUDGET & RESPONSES**







**RESPONSES TO DRAFT BUDGET COMMENTS 2018-2019**

COMMENTS ON DRAFT 2018/2019 BUDGET									
ORGANISATION / INDIVIDUAL	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED, COMBINED)	
Individual	Tommy Snibbe Kleinmond	03-May-18	TABLE 7 COMPARISON BETWEEN CURRENT WATER CHARGES AND INCREASES (OOHESING)			Property Rates	Salaries, Councilor Remuneration	Will these funds be utilised to subsidise the shortfall in the Operational budget? If so, then it will be wrong to enter into such a borrowing!	
								Infrastructure maintenance and backlogs	
								*The increased own funding from surpluses	
								The Capital programme decreases to R133m and increases to R137m in the outer years, which is above the estimated minimum of R100m required	
								*The reality is that we are faced with an increasing population	
								What is the reason for the difference in LAST YEAR'S tariffs? (VAT)	
								Free Services	
								The inability of the OM to attend to tasks / services which they have done in previous years, is by far the main reason for the increase in Contracted Services.	
								Hofgeding teen die OM rakende Tender onreëlmatigheid met die toekening van die bedryf van die OM se Waterverskaffing / Court case relating to tender irregularities with awarding of tender for OM Water Services.	

After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:

The increased own funding from surpluses /shortfall/portion from land sales

Own funding of the Capital Budget relates to internally generated funds from previous year surpluses.

The requirements of the MFMA are clear in that the budget must be cash-funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

It should be noted that although the 2018/2019 operational budget and indicative years indicate budgeted (accounting) deficits (Table 1b in the Draft Budget Report), this does not reflect the actual cash position. This phenomenon will continue for the foreseeable future. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment-PPE). The asset value before depreciation is in excess of R5,3 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously, but the useful life of assets were extended as well as ever increasing assets funded by grants. The replacement thereof can thus not be recouped via current tariffs as this would lead to taxation in advance of need and no reserves may be established for these purposes. The principle of recovering actual cash costs during each financial period is adhered to.

Capital Projects to the amount of R18,9m funded from Land Sales, are included in the Draft Budget tabled in Council in March.

Property Rates:

The increase in property rates has been set at 6%. Property rates increases were below inflation over previous years before 2014/15. In the eight years prior to 2014/2015, the property rates tariff had only on two occasions challenged the annual inflation rate. Furthermore, average increases in service charges are also set at 6%, with the exception of electricity tariffs.

Water Tariffs:

South Africa faces similar challenges with regard to water supply as it does with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Tariff increases as from 1 July 2018 are indicated in the list of tariffs in Annexure C. The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. The third level of phasing in the increases in the 0 – 6 kℓ category as implemented during 2013/14, to recover minimum cost of the production of water, further postponed in 2014/15, has been implemented. This is the reason for the higher than 6% collective increase in this category of the tariffs.

### Salary Budget / Councillor Remuneration

The budgeted allocation for employee related costs and remuneration of councillors for the 2018/19 financial year totals R373m which equals 33,2 per cent of the total operating expenditure and within the NT norm of 25 – 40 per cent. Of this total, the provisions relating to employee related costs amounts to R13,9m of which the majority of the amount is a long term liability (postretirement benefits) and therefore not cash remuneration.

The current three year collective SALGBC salary agreement comes to an end on 30 June 2018. Salary increases, according to the agreement, were determined at 7,35% for the 2017/18 financial year, based on the average inflation for the period February 2016 to January 2017, with a minimum inflation rate of 5% plus 1%. The salary negotiations are currently underway for a salary determination as from 1 July 2018. The macro-economic forecast outlook, together with previous salary determinations was used as a tenable guideline for an increase in remuneration. This amounted to an estimate of 5,8%, relating to a 8,11% increase, inclusive of notch increases. This percentage is still feasible as the Employer Organisation (SALGA) has a current position of a 5,9% increase.

Regulations have been promulgated, which provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The proclamation with regard to the 2017/2018 increases was published during January 2018. No indication for 2018/19 has been received to date and therefore remuneration of councillors has been factored into the 2018/2019 budget at the same rate as the 2017/2018 determination.

### Free Services

The cost of the social package of the registered indigent households is fully covered by the local government equitable share received in terms of the annual Division of Revenue Act and that portion relating to a specific service has been apportioned as revenue to that specific service.

### Expenditure by major type

The introduction and reclassification resulting from mSCOA caused a shift in expenditure previously classified and budgeted under general expenses in relation to previous years' figures.

Contracted services have been identified as an area for the municipality to implement efficiencies. As part of the compilation of the 2018/19 MTREF this group of expenditure was critically evaluated and operational efficiencies are being enforced. In the 2018/19 financial year, this group of expenditure totals R195,6m. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses. Further details relating to contracted services can be seen in Table 62 MBRR SA1 (see page 97).

Other Expenditure, now classified as Operational Costs in mSCOA, comprises of various line items relating to the daily operations of the municipality. The introduction and reclassification resulting from mSCOA has caused a shift in expenditure previously classified and budgeted under general expenses to Inventory (materials) and contracted services."

### Hofgeding – Waterdiens / Court Case – Water Services

All information referred to is available in the public domain.



2	Individual	Werner Zybrands Betties Bay	25-Apr-18							1. Brandkrane / Fire Hydrant Taps Daar is tans net 4 vir ongeveer 400 eiendomme / Fire hydrant taps (especially in Sunny Seas) Currently only 4 for approx 400 properties
										2. Verbeterde waternetwerk vir die brandkrane (veral Sunny Seas) / Upgraded water network for fire hydrant taps (especially Sunny Seas)
										3. 'n Program om oorgroeide erwe skoon te maak en in besonder die sg "New Zealand Christmas Tree" Dit is 'n aggressiewe indigplant en verhoog die reeds hoë brandrisiko verder. / A programme for clearing of overgrown plots, in particular the "New Zealand Christmas Tree" This being an aggressive invasive species, in increasing the fire risk.
										4. Reflektende paalgemonteerde straatnaamborde op Clarence rylaan (R44). Dit is wel 'n provinsiale pad, maar die Munisipaliteit kan help om die nodige vertoë te rig en tot die oprigtingkoste by te dra. Daar is geen straatligte in die hele Bettiesbaan nie en besoekers, nooddienste en wetstoepassers kan nie hul weg vind nie. / Reflector pole mounted street name signs on Clarence Drive (R44). Although this represents a provincial road, the municipality to assist in directing appeals and contribute to costs. The Betties Bay area does not have streetlights in order to assist visitors, emergency services and Law Enforcement to navigate.
										5. 'n Stelselmatige program om paaie of padgedeeltes wat in 'n toestande moeilik of gladnie begaanbaar is, van 'n permanente oppervlak te voorsien (dit sou 'n werkskeppingsprojek kan word aangesien in bepaalde gedeeltes plaaslike stene die aangewese metode sou wees). Dit mag ook stormwaterdrainering noodsaak - dit kan byvoorbeeld met oop slootkanale en enkele gepypde padkruisings bewerkstellig word. / A systematic programme to upgrade the road surface of particular road stretches permanently as it becomes a challenge to drive in rainy/hot conditions. (Possibly a job creation project where pavers might be the preferred option).
										6. Veiliging van die druk op die suigtenkdiens deur bu 'n verdere suigtenk aan te koop of vanaf 'n ander area by Stanford her toe te wys. Op die langtermyn behoort daar geleidelik 'n behoorlike spoelbootstelsel geïnstalleer te word. / Relief w.r.t. the burden on vacuum tanker services in purchasing another vehicle or re-allocating one from Stanford for example. A proper sewer network to be installed on the long term.
										7. Beter beheer en toesig oor die EPWP werkers en om sinvolle werk te doen. In plaas daarvan om net gas wat oor die teeroppervlak groei tydsaam af te steek behoort oorgroeide munisipale eiendom (oop ruimtes en padreserves) skoongemaak te word om die brandrisiko te verlaag. / Improved control and supervision w.r.t. EPWP workers, also to ensure quality of work. Mun property (open spaces and road reserves) are supposed to be cleared to address risk of fires, instead of only clearing edge of tar surfaces.

After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:

**Point 1: Brandkrane/ Fire Hydrant Taps – Comments from Protection Services Directorate**

A meeting took place with Operational Services to discuss the pressure and the adequacy of taps - It is confirmed that the pipelines for upgrading have been identified.

**Point 2: Waternetwerk vir Brandkrane/Water reticulation for Fire Hydrant Taps - Comments from Protection Services Directorate**

The Infrastructure and Planning Directorate confirmed that funding will be available in the next three years for water pipe replacement. It has also been confirmed that Betties Bay is already identified as an area for consideration in terms of this project.

**Point 3: Oorgroeide Erwe / Overgrown Plots – Comments from Protection Services Directorate**

The necessary inspections will be scheduled and erven will be identified strictly in terms of the Fire Hazard Policy. It is furthermore confirmed that this directorate will collaborate with Kleinmond Area Operational Services to attend to the road reserves in this area.

**Point 4: Straat naamborde / Street Name Signs – Comments from Community Services Directorate**

The directorate will bring the request as a priority to the attention of the relevant provincial department.

**Point 5: Padgedeeltes Permanente Oppervlak / Road Surfaces – Comments from Community Services Directorate**

The directorate will obtain the necessary detail in order to investigate and advise.

**Point 6: Suigtenk Dienste / Sewer Tanker Services - Comments from Community Services Directorate**

A loan for water & waste water infrastructure networks to the total amount of R42 million will be taken up over the next three years. The installation of sewer networks in a focused approach will ultimately allow the review of the fleet to ensure improvement in service delivery.

**Point 7: EPWP Werkers / EPWP Workers - Comments from Community Services Directorate**

The level of supervision will be revisited and improved.



S	ORGANISATION / INDIVIDUAL	LOGGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED, COMBINED)
3	Individual	Mike Botha, Kleinmond	11-Apr-18						Development of the main beach area
									Parking area for busses
									Early Childhood Development / Crèches HELP
									Refinement / Amendment of "Ward Committee Policies"
									Effective Fire Hazard Report for Klein Beign - a.o. areas
									Upgrading of the informal market / trading post in Main street
									Maintenance of side-walks and gutters in Klein Beign and other areas
									Outdoor Trim Gym
									Public Participation Process / Communication
									Baboon Management
									Drug / Substance abuse

After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:

**Point 1 – Comments from Infrastructure and Planning Directorate:**

Please contact the Infrastructure and Planning Directorate in order to provide inputs as part of the public participation process, in the review/compilation process of relevant documentation.

**Point 2 – Comments from Infrastructure and Planning Directorate:**

Please contact the Infrastructure and Planning Directorate in order to provide inputs as part of the public participation process, in the review/compilation process of relevant documentation.

**Point 3 – Comments from LED (Social Services) Directorate:**

There are a number of challenges faced by the ECD sector in the Overstrand which relate to, amongst other:

A significant shortage of facilities especially in underprivileged areas which undermines children's rights to ECD services (In this regard the Overstrand Municipality has submitted an application with the Department of Rural Development to upgrade the capacity of three crèches, one of which is Bambanani in Kleinmond, and to establish a new ECD facility with a capacity of approximately 160 children; in addition to this, two additional facilities are also being established in the Overstrand);

The maintenance of municipal facilities needs attention (the community services directorate did a needs analysis at all municipal buildings used as crèches, as a result thereof the department has allocated sufficient funds to address all the shortcomings identified in the needs analysis; in addition, the maintenance of municipal ECD facilities has been registered as a key strategic priority / actions that we are going to focus on during the 2018/19 financial year);

The registration of ECD facilities must be accelerated (The Provincial Department of Social Development appointed two organisations to monitor and assist crèches with registration for the Stanford Gansbaai and Hermanus Hangklip-Kleinmond areas respectively. The municipality has a good working relation with both organisations and are working together. The municipality is also in the process of developing policies to ensure that we are more responsive to the registration requirements of facilities i.e. fire clearance certificates, zoning etc. The municipality will also launch its Green Flag project within the next couple of months which is aimed at creating awareness among parents and crèche owners about the importance of registered ECD facilities).

**Point 4 – Comments from Community Services Directorate:**

Request is noted. Policy review will take place during current term of office.

**Point 5 – Comments from Protection Services Directorate:**

There is no statutory requirement that obligates the Municipality via its Fire Service to provide any form of Fire Hazard Report in respect to private property. The only requirement of the Fire Safety By-law P.N. 6454 of 2007 is that owners are to be issued compliance notices when their properties are found to be in violation of section 34 of the said By-law by a member of the fire service who is delegated as a competent person to determine a fire hazard.

The information hereto may be made available in the form of statistics regarding the notices issued and properties that are cleared but the private information of property owners remains confidential.

Should a ward committee require such assessment it must request the Municipal Chief Fire Officer to provide one or other than that should the committee feel that they need an independent expert opinion they can acquire the services of an external specialist to provide a hazard assessment report. I trust that this information meets your requirements.

**Point 6 – Comments from Local Economic Development (LED) Directorate:**

LED supports the initiative and will convene a discussion with relevant stakeholders as proposed by the writer.

**Point 7 – Comments from Community Services Directorate:**

The sidewalks are attended to on a scheduled maintenance programme and our resources only allow us to service sidewalks three (3) times per year. We currently have a temporary team of workers attending to removal of weeds in road reserve and stormwater channels throughout residential areas of Kleinmond. Feedback have been given to Mr. Botha at the ward committee meeting.

**Point 8 – Comments from Community Services Directorate:**

The project "outdoor trim gym" is a ward specific project and progress on the project is reported to the local ward committee. Any aspects related to the project can also be followed-up by the ward committee with the project manager.

Point 9 – Comments from Community Services Directorate:

Public Participation in respect of housing development is done via a Social Compact or Housing Committee (inclusive of Ward Committee). The committee is only established and consulted for the duration of the project (planning until occupation by approved beneficiaries)! No housing project is currently in progress in Kleinmond. We will request the Area Manager to ensure that in the absence of a housing project his office assist with recording and distribution of minutes in respect of meetings held with the administration.

Point 10 - Comments from Infrastructure and Planning Directorate:

Baboon Management Issues - The Mayor and Municipal Manager entered into negotiations with the Western Cape Minister of Local Government and Environmental Affairs and certain interventions with assistance of the respective legal teams were subsequently submitted to the Minister. Feedback is awaited in this regard.

Point 11 – Comments from LED (Social Services)Drug / Substance Abuse

The Overstrand Municipality has established a Local Drug Action Committee as prescribed by Section 60 of the Prevention of and Treatment of Substance Abuse Act No.70 of 2008. The Committee is guided by the functions, which is primarily of a integrating and coordinating nature, prescribed to by Section 61 of the Act. This Committee meets at least once a quarter and is one of the few functioning LDAC's in the District and the Western Cape. Notwithstanding, it is important to realise that substance abuse is a complex issue, and the treatment thereof is expensive and requires specialised social workers. Further, there are a various type of services such as prevention and awareness, early intervention, rehabilitation or institutionalisation, and reintegration. Clearly the extent to which these services are available greatly influences success and the reality in the Overstrand is that services are severely limited, especially in relation to the need for these services.



6	ORGANISATION / INDIVIDUAL	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED, COMBINED)
4	Individual	Brian Wadgway, Hermanus	11-Apr-18						1 The percentage increase in rates and charges has exceeded the rate of inflation as published by STAS SA for 6 of the past 7 years and thus is unsustainable. How can this be justified?
									2 Total revenue, excluding grants, is budgeted to exceed revenue for the current and the next 3 projected years. Is this justified and is it sustainable? Should we not be looking seriously at the cost base and making savings which would allow the budget to balance without the utilisation of capital grants?
								3 Related to the above is the level of remuneration of the 7 individuals comprised of the Municipal Manager and 6 directors. The perception exists that they are remunerated above the bands for which the municipality qualifies based on the given legislated criteria. Given that 53% of the households in the municipality are indigent and that rates are being raised at a rate which exceeds inflation should this cost not be the first port of call in making savings? These individuals comprise only 6% of the total staff numbers yet they earn 5% of the total wage bill.	
									4 On page 66 of the draft budget the table shows a total increase in rates at 8.1%. Does this include the increase in VAT from 14% to 15%?

After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:

#### Percentage Increases Sustainable, justified

Some price increases in the input costs of services are beyond the control of the municipality, for instance the cost of fuel (the fuel price increased to a record high in May 2018), chemicals and electricity (Nersa increase to municipalities for Bulk Purchases: 7.32%). In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure maintenance and backlogs;

South Africa faces challenges with regard to potable water supply, since demand growth outstrips supply, coupled with the possible impact of climate change, where the Western Cape is experiencing the worst drought since 1933. Due to water source and infrastructure investment in the previous few years made by Overstrand, a water crisis could up till now, be averted. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

For Overstrand to continue delivering and improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with an increasing population (7th highest growth nationally as per the 2011 census), development backlogs and increasing poverty levels. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

#### Total Revenue, excluding grants, budgeted to exceed Revenue / Budget to balance without Capital Grants

It should be noted that although the 2018/2019 operational budget and indicative years indicate budgeted deficits (Table 1b), this does not reflect the actual cash position. This phenomenon will continue for the foreseeable future. These circumstances arose as the result of the implementation of GRAP, with special reference to GRAP 17 (Property, Plant and Equipment - PPE). The asset value before depreciation is in excess of R5,3 billion, which relates to substantially high depreciation charges. Although accurately reflecting asset value, the cost of a substantial portion of these assets had been fully redeemed previously,

The Municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following:

- Balanced budget constraint (cash operating expenditure should not exceed cash operating revenue) unless there are sound reasons for utilising existing uncommitted cash-backed reserves to fund any deficit;
- The repairs and maintenance plan relating to the asset management strategy;
- Funding of the budget over the MTREF as informed by Section 18 and 19 of the MFMA;
- Reducing expenditure on non-core programmes;
- Implementing operational gains and efficiencies;
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation will be made; and
- Taking cognisance of cost containment guidelines and assessing the status of current measures.

#### Remuneration of 7 Individuals

With effect from 1 July 2010, the Section 57 Employees (Directors) remuneration is determined by an independent consulting firm, appointed by the Employer to determine market related cost-to-employer remuneration packages. The afore-mentioned employees receive no bonuses, which principle was negotiated with them. The recommendation does compare the salaries of incumbents with similar job descriptions, whether it be the private or government sector. The remuneration model developed by them for senior managers in the local government sector has been adjusted to reflect the remuneration trends in the labour market. This determination will be completed at a later stage for the 2018/2019 budget. For draft budgeting purposes, the same increase of 5,8 per cent, as for other employees has been factored into the budget. Regulations have been promulgated, which provide for the Minister of Co-operative Governance to determine the total remuneration packages payable to any new employees to the posts of Municipal Manager and Section 57 Employees (Directors), with effect from 1 July 2014. Existing contracts however continue until they lapse.

#### Page 66 - Does this include increase in VAT from 14% to 15%

The increase in VAT of 1%, as announced during the National budget speech, was implemented by the municipality on 1 April 2018. All tariffs and municipal accounts subsequent to before-mentioned date, reflect the increased percentage of 15%.



#	ORGANISATION / INDIVIDUAL	LODGED BY:	DATE	WATER & ELEC	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED, COMBINED)
5	Individual	Rebecca Janse Van Vuuren, Fischerhaven	18-Apr-18						I think my first and foremost concern is that most of the overstrand municipal plans are funded by land sales. I would like to point out that there are alternate systems both Thailand and Spain should be looked to in this regard.
									I briefly read over some analysis made in May 2010 for future planning in Fischerhaven... It is my belief that although it has been earmarked as a "growth point" this shouldn't be treated the same way Hermanus has been.
									I highly object to plans involving higher densities whether or not eskom can support it.
				I do understand the purpose of the Indigent Grant, but I want to point out that people who don't qualify don't have any free water at all.					
									I would like to know if the overstrand municipality had researched the possibility of using recycled plastic to tar roads.
									It's obvious that there is a major pollution problem in Hawston.
									I am sure that the maintenance of parks and play parks can be included.
									I would also like to suggest that Community food gardens be encouraged.

**After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:**

**Tourist tax on foreign owned homes:**

Tariff setting is very important to ensure sustainable revenue streams, and furthermore, to ensure fair, transparent and understandable tariffs. In the instance of holiday towns, tariffs are already considered to ensure full cost recovery. Recovery of costs should be in relation to basic charges versus unit cost charges with regard to fixed costs and variable costs respectively, to ensure that overheads are covered, regardless of the number of electricity units consumed, with holiday homes as an example. The municipality is revisiting cost allocation in terms of before-mentioned on an annual basis in order to ensure parity.

**Future Planning in Fischerhaven:**

Please consult the Growth Management Strategy for Overstrand Municipality to confirm the current status for the respective areas in the Overstrand.

**Higher Densities:**

Please consult the Growth Management Strategy for Overstrand Municipality to confirm the current status for the respective areas in the Overstrand.

**Free Water:**

The 6 kℓ free water per 30-day period has since 2014 only been granted to registered indigents. This decision relates to the application of the Council's Indigent Policy. This programme comprises only participants who, upon application, qualifies to be registered as an indigent person, and will therefore qualify for 6kl free water. There are unfortunately no legal requirement or any justification to allocate 6kl of free water (delivered to the a tap to households at a cost in excess of R20 per kilolitre, to persons that do not qualify for indigent status.

**Recycled Plastic to Tar Roads:**

All options are investigated as new information becomes available in the industry. A portion of the 2018/2019 budget for dust control will be spend in Fischerhaven.

**Polution problem in Hawston:**

Inputs are noted and will be investigated.

**Maintenance of parks & play parks:**

Beautification can be attended to by ward specific projects. Proposals must be provided to the local ward councillor/committee. The upgrading of the fencing of the Hawston camping site will be considered by council in the 2018/2019 financial year.

**Community Food Gardens:**

LED supports the initiative and will convene a discussion with relevant stakeholders as proposed by the writer.





8	ORGANISATION / INDIVIDUAL	LODGED BY:	DATE	WATER & ELEC.	SEWER	REFUSE	RATES	REMUNERATION	OTHER (SPECIFIED, COMBINED)
6	Ward Committee Ward 7	Ward Committee - Ward 8	25-Apr-18						Die Wyskkomitee versoek oorweging van R2 miljoen om ingesluit te word vir teer van strate vir wijk 7, in die konsepbegroting van 2018/2019. / The Ward Committee request that R2 million be considered for inclusion in the budget for 2018/2019 for ward 7, for tarring of roads.

After careful consideration of this submission by the Budget Steering Committee on 3 May 2018, the response is as follows:

This item has been dealt with in terms of finalisation of all inputs received during the Budget Roadshows in the respective wards, and written submissions received during the public participation process. Please refer the final Budget Report to serve before Council in May.





**CFO - KONSEP BEGROTING / DRAFT BUDGET 2018 / 2019**

**From:** Tommy Snibbe <tommy.wardcom@gmail.com>  
**Date:** 2018/04/30 03:12 PM  
**Subject:** KONSEP BEGROTING / DRAFT BUDGET 2018 / 2019  
**Bc:** CFO

To whom it my concern / Aan wie dit mag aangaan,

Herewith please find my comments / concerns on the 2018/19 Draft Budget.

Aanhalings uit die begroting word in "AANHALINGS TEKENS" geplaas. My kommentar word in *kursiewe druk* weergegee.

PAR 2, P5:

**"The increased own funding from surpluses is due to cash generated from Operation, which includes a portion from land sales".**

*How much is this portion and could these funds, which came from the sale of a Capital Asset, in fact be utilised to care for the shortfall on the Operational Budget?*

**"The Capital programme decreases to R133m and increases to R137m in the outer years, which is above the estimated minimum of R100m required annually to sustain capital infrastructure"**



*We should not get too excited about the surpluses expected as price increases are inevitable as a result of the increase in funds collected by the Government such as VAT, Fuel levies etc. as well as the effect of Inflation. A substantial backlog has built up over the past years which should be addressed as a matter of urgency. Taking the aforementioned into account, the surpluses may prove to be only a drop in the ocean.*

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*The income on the Operational Budget should care for Operational expenses. We cannot subsidise overspending in the operational costs from funds allocated to care for capital expansion / projects. This is a recipe for disaster!*

*The R100m required to sustain capital infrastructure was not increased over the past few years to care for price increases due to inflation, transport costs etc.*

## **PAR 1,4: OPERATING REVENUE FRAMEWORK**

**PAR 3 P5:**

**"In these tough economic times, strong revenue management is fundamental to the financial sustainability of the Municipality"**

*As I have said before, the OM should rather exercise strong expenditure management as opposed to strong revenue management alone!*

**VOORBEELD:**

*Voertuie aan Kleinmond toegeken word in Worcester gediens en in Grabouw herstel!*

*Om 'n voertuig te laat diens moet daar dus twee voertuie vanaf Kleinmond af deur ry Worcester toe sodat die bestuurder wat die voertuig wat gediens moet word weer kan terugkom Kleinmond toe. 'n Dag of twee later moet daar weer twee amptenare deur ry Worcester toe om die voertuig te gaan haal nadat dit klaar gediens is.*

*Dieselfde gebeur met voertuie wat herstel moet word!*

*Afgesien van die onproduktiewe man ure wat verlore gaan en waarvoor die Belastingbetalers aan elkeen van hierdie amptenare 'n salaris moet betaal, is daar verder 'n vermorsing van Brandstof, onnodige slytasie op die voertuie en bande ens.*

*Dit terwyl daar kundige mense in Kleinmond sake doen wat wel die nodige dienste en herstelwerk sal kan doen!*



*U sal moontlik redeneer dat die plaaslike mense nie aan "BEE" vereistes voldoen nie en dit mag moontlik so wees. Die feit bly - dis ons geld wat vermors word en daarom het ons die reg om protes aan te teken met betrekking tot hierdie blatante vermorsing en swak en sinlose bestuur van operasionele uitgawes!!*

**"The reality is that we are faced with an increasing population ...."**

*This problem has been highlighted in my comments to the budget over the past few years now. Has the time not come to start investigating and implementing ways to attract tax paying citizens. The area should aggressively be marketed especially in areas known to be suburbs of choice to citizens in the super high income group!*

*A Glass can only hold so much water. Once it is full, it's full! Should we not look at ways to control the inflow of residents from other areas? The OM should effectively encourage the creation of jobs for our current population rather than to allow people from outside the area to move in and demand houses and services to the cost of our own people. It will not be possible for the OM to turn these unemployed people away but will it really be a sin to discourage them to move to the Overstrand?*

*Job creation can only be achieved by creating Business and Industrial opportunities together with a successful and aggressive advertising campaign to encourage entrepreneurs to invest in the area. It may not be such a bad idea to employ the services of an advertising agency in this regard.*

PAR 1, P8:

**"Property rates increases were below inflation over the previous years before 2014/15. In the eight years prior to 2014/15, the property rates tariff had only on two occasions challenged the annual inflation rate".**

*The property rates increase for 2010/11 was 8.00% - Inflation: 4.3%;  
The rates increase for 2012/13 was 6,00% - Inflation: 5,6%.*



*The OM has, over the past years, gone out of their way to bring this to our attention. They however preferred to ignore the fact that the taxpayers had to cope with the following:*

*Increase of 15,00% in 2014/15 - Inflation 6,10%  
Increase of 6,85% in 2015/16 - Inflation 4,60%  
Increase of 7,20% in 2016/17 - Inflation 6,20%  
Increase of 7,40% in 2017/18 - Inflation 6,60% and  
Increase of 6,00% in 2018/19 - Inflation 6,30%.*

### **TABLE 7 COMPARISON BETWEEN CURRENT WATER CHARGES AND INCREASES (DOMESTIC).**

*The tariff for the category 0 - 6 kl approved in the draft budget for 2017/18 was 5,13, The revised budget for December 2017/18 however shows a tariff of 5.17. This means that the total increase of water tariffs for 2017/18 was in excess of the 6% budgeted for in the draft budget for 2017/18.*

*It should be borne in mind that the tariff increases for the 2018/19 Financial Year, are based on the latter amount which, in fact means that the increase for this year was in excess of the maximum recommended by National Treasury when compared to the 2017/18 draft budget.*

*Tariffs were thus increased without the knowledge of the consumers. It is disturbing to note that this was not only the case with the 0 - 6 kl category but it has also been in evidence in all the other categories as well as the basic charge levied on water availability. I have further noticed a similar tendency in Sanitation as well as Waste Removal fees.*

*The same applies to the remuneration to Councillors as well as Contracted Services.*

*Would the OM care to explain this to the public?*

PAR 1, P 19:



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**"The recommendation does compare the salaries of incumbents with similar job descriptions, whether it be the private or government sector".**

*The government sector should not be taken into account as the Civil Servants are hopelessly overpaid!*

#### **TABLE 17 MBRR TABLE A1 - BUDGET SUMMARY:**

*Total Employee costs plus Remuneration to Councillors is calculated to be 33,18% of the Expenses Budget. What about the Salary component of Contracted Services? When are we going to see a reduction in the total Staff cost budget?*

*We have only noticed increases in the total salary bill of the OM as well as increases in the Contracted Services budget. Surely if a service is outsourced, it should result in a consequent decrease in the OM's salary bill!!*

PAR 5 P 26:

**"The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase".**

*Who is paying for all these free benefits - surely not the OM?*

*How sustainable is this policy?*

#### **TABLE 20 MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE).**



*The budget for depreciation is R130.362m while the Total Capital expenditure as per Table 17 MBRR Table A1 - Budget Summary will be R171.736m.*

*We can thus argue that only R41.374m (R171.736m - R130.362m) will be available for Capital projects.*

**FIGURE 3 EXPENDITURE BY MAJOR TYPE:**

PAR 6 P 32:

**"The change in the trend for contracted services also relates to the reclassification of expenditure resulting from mScoa implementation".**

*This is not the only reason!! The inability of the OM to attend to tasks / services which they have done in previous years, is by far the main reason for the increase in the cost of Contracted Services.*

*When are we going to see a decrease in the OM's staff costs equal to the salary and wage component of Contracted Services?*

**OPERASIONELE BEGROTING:**

Dit het onder my aandag gekom dat die Hofgeding teen die OM rakende Tender onreëlmatigheid met die toekenning van die bedryf van die OM se Waterverskaffing met koste teen die OM uitgewys is.

Graag sal ek wil weet wat die totale koste van hierdie geding sowel as die Appel koste was. Die Appel is na bewering aangeteken in weerwil van advies deur die OM se Advokate. Die vraag ontstaan nou, het die OM geappelleer omdat ons (Belastingbetalers) die Regskoste moet betaal en hulle dus nie direk daarvoor verantwoordelik is nie?

Hoeveel Kapitaal projekte kon nie met daardie geld afgehandel word nie?

Aangesien die Operasionele Begroting nie aan die Publiek voorgelê word nie, sal dit moontlik goed wees om die totale koste van regsgedinge sowel as die uitslag daarvan aan die publiek bekend te maak. Dit sal ook goed wees om te weet watter Departemente en Amptenare betrokke was, nie net by die oortreding nie maar ook die opdrag gewers aan die OM se Regslui.





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Sal dit verkeerd wees om diegene wie skuldig is aan die nalatigheid persoonlik verantwoordelik te begin hou vir die vermorsing van swaar betaalde belasting geld?

Ek ontvang graag u kommentaar, indien enige op die voorafgaande.

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**2****CFO - Begroting**

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**From:** Werner Zybrands <wernerzy@iafrica.com>  
**To:** CFO <CFO@overstrand.gov.za>  
**Date:** 2018/04/25 09:13 PM  
**Subject:** Begroting

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Beste Santie

Dit was goed om gisteraand jou en so baie van my oud-kollegas weer te sien.

Soos belowe, hiermee 'n paar kriptiese nota's oor my kommentare/versoeke ten opsigte van Bettiesbaai:

1. Brandkrane (Veral in Sunny Seas) Daar is tans net 4 vir ongeveer 400 eiendomme.
2. Verbeterde waternetwerk vir die brandkrane (veral Sunny Seas)
3. 'n Program om oorgroeide erwe skoon te maak en in besonder die sg "New Zealand Christmas Tree" Dit is 'n aggressiewe indringerplant en verhoog die reeds hoë brandrisiko verder.
4. Reflekerende paalgemonteerde straatnaamborde op Clarence rylaan (R44). Dit is wel 'n provinsiale pad, maar die Munisipaliteit kan help om die nodige verhoë te rig en tot die oprigtingkoste by te dra. Daar is geen straatligte in die hele Bettiesbaai nie en besoekers, nooddienste en wetstoepassers kan nie hul weg vind nie.
5. 'n Stelselmatige program om paaie of padgedeeltes wat in nat toestande moeilik of gladnie begaanbaar is, van 'n permanente oppervlak te voorsien. (dit sou 'n werkskeppingsprojek kan word aangesien in bepaalde gedeeltes plaveiselstene die aangewese



metode sou wees). Dit mag ook stormwaterdreinerings noodsaak - dit kan byvoorbeeld met oop slope/kanale en enkele gepypde padkruisings bewerkstellig word.

6. Verligting van die druk op die suigtenkdiens deur bv 'n verdere suigtenker aan te koop of vanaf 'n ander area bv Stanford her toe te wys. Op die langtermyn behoort daar geleidelik 'n behoorlike spoelrioolstelsel ge-installeer te word.

7. Beter beheer en toesig oor die EPWP werkers en om sinvolle werk te doen. In plaas daarvan om net gras wat oor die teeroppervlak groei tydsaam af te steek behoort oorgroeide munisipale eiendom (oop ruimtes en padreserwes) skoongemaak te word om die brandrisiko te verlaag.

Ek weet dat van die sake nie op jou veld lê nie, maar gelukkig was jou kollegas daar en kan jy dit, waar nodig, na hulle verwys.

Dit is ook vir my aangenaam om te kan sê dat die eerste 3 punte danksy die opvolgwerk wat Lester Smith na aanleiding van 'n terreininspeksie met hom, nou aandag gaan geniet. Ek stuur die tersaaklike korrespondensie wat ek vandag ontvang het, onder aparte dekking aan jou. Ek is baie dankbaar hieroor.

Nogmaals geluk met 'n goeie begrotings- en openbare deelnameproses. Dit bly 'n voorreg om 'n Overstrander te wees!

Mooi wense.

Werner



Werner Zybrands  
083 631 0667  
Posbus / PO Box 325  
Hermanus  
7200

**CFO - Fwd: WARD 9: IDP & BUDGET MATTERS - 05 April 2018**

**From:** Mayor Overstrand  
**To:** CFO  
**Date:** 2018/04/26 04:17 PM  
**Subject:** Fwd: WARD 9: IDP & BUDGET MATTERS - 05 April 2018  
**Cc:** Coenie Groenewald

Beste mev Reyeneke-Naude

Vind asseblief hiermee die onderstaande epos vir u verdere hantering.

Baie dankie.

Groete,

**Ald / Rdh Dudley Coetzee**

Executive Mayor

Overstrand Municipality

**M:** +27 (0) 82 574 4404 | **T:** +27 (0) 28 313 8058

**E:** [mayor@overstrand.gov.za](mailto:mayor@overstrand.gov.za)

>>> "Mike Botha" <mikebotha500@gmail.com> 2018/04/11 12:41 PM >>>

**Subject:** WARD 9: IDP & BUDGET MATTERS - 05 April 2018

Dear Clr. Grant Cohen and Mr. Desmond Lakey, Mr. Coenie Groenewald, Rhr. Dudley Coetzee

The Special Public Meeting of 05 April 2018 has reference.

Please contact me, if necessary, on 061 069 5678?

Your response/guidance on the various matters will be appreciated.

Regards.

Mike.

**1. Development of the main beach area**

The highly rated scenic route runs through Kleinmond. Currently tour busses take alternative routes or drive through Kleinmond without stopping because of a lack of facilities (safe parking, toilets, restaurants etc.). The potential of this market should be unlocked to improve the quality of life of our people.



Kleinmond with its Blue Flag Beach and complementing natural resources is a growing tourism destination for many. Kleinmond has no facility to host cultural or social events. Consequently Kleinmond is excluded from OM's regular events / festivals to promote arts, culture, sport, music, drama etc. The lack of an **auditorium** is hampering development and must be addressed in our near future IDP / budgets. As soon as this basic need is addressed tourism will grow and all related enterprises will benefit. Private sector developers expressed their interest in Kleinmond but they need to be convinced that the economy is strong enough to ensure a return on investment.

The following facilities are envisaged to promote **Kleinmond Main Beach** as a tourism destination for international and local visitors:

- A boutique hotel, restaurants
- An auditorium / amphitheatre
- A multifunctional community hall, sport, recreation, exhibitions, etc.
- A Sea Rescue Station, life savers facilities, security, law enforcement
- Parking area for cars, busses
- Playpark for children
- Other

A **Terrain Plan** should be developed to optimise the utilisation of the comprehensive main beach area.

**A Development Programme and budget should be included in the IDP for this exciting development.**

## 2. Parking area for busses

We have to find an appropriate parking place for busses.

There is merit in the complaints regarding the parking of busses in 5<sup>th</sup> Avenue. The problem should not be shifted to the area of Klein Berlyn.

## Early Childhood Development / Crèches **HELP!!!!**

## 4. Refinement / Amendment of "Ward Committee Policies"

Further refinement to the policies for ward committees is required.

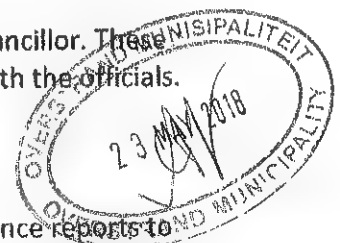
All members should be invited to first submit their proposals to the councillor. These proposals can be considered for discussion at a small-group- session with the officials.

Final proposals to Council should be given to all after completion.

## 5. Effective Fire Hazard Report for Klein Berlyn – a.o. areas

In terms of the B2B approach, the OM must submit quarterly performance reports to COGTA. The OM must also submit a Fire Hazard Report for each area before October of each year. The quality of these reports are essential to ensure better functioning. Such a report, identifying stands that poses a fire risk in Klein Berlyn, must please be submitted without delay? It was asked for in November 2017 but there was no response.

The Fire Department can't be dependent on complaints by homeowners regarding fire hazards on the neighbours stand. A professional opinion is required.



It is a pity that Mr. Lakey, at the meeting, opted to explain why this task can **NOT** be executed rather than why it **CAN** be done.

## 6. Upgrading of the informal market / trading post in Main street

### 6.1 Problem statement

Most municipalities have informal marketplaces to enhance the local economy, to create an income, to combat the impact of poverty – Kleinmond has none.

Over several decades Kleinmond expressed a need for an informal market but it never materialised. After numerous requests by the traders, this “trading post” remains shabby and without any proper facilities. As visitors enter our town this place creates a bad image of our town as tourism destination.

### 6.2 Proposed Project

Formal structures and appropriate facilities need to be established to enable the functioning of an informal market in Main Road. The facilities may, among others, include a parking area, small tea garden public toilets, well equipped stalls where trading of articles, fresh produce can take place. More traders will come to Kleinmond if the facilities are available. Then it will no longer be necessary to drive to neighbouring towns on a Saturday morning to buy products.

### 6.3 Sources of funding

The following sources of funding may be considered:

- This project could be funded as “Own projects or Capital project in IDP??
- Beautification of entrance to KM and Main Road (R2 000 000)
- Entrepreneurial Support Programme
- Infrastructure for Informal Trading projects
- This is an Income generating expenditure

May I suggest that we call a meeting with the following role players:

- LED and Entrepreneurial Support Group
- Infrastructure for Informal Trading
- Local architects
- Kleinmond Business Forum

## Maintenance of side-walks and gutters in Klein Berlyn and other areas

The maintenance of sidewalks and gutters is the responsibility of the municipality.

The sidewalks in Klein Berlyn are mostly neat and well maintained by taxpayer / homeowners. Their efforts reduce the obligation of the municipality. However, sidewalks and gutters are very shabby at some vacant stands, holiday homes and rented houses. The municipality was requested to please attend to the problem before Easter but we were disappointed. The Service Level Agreement targets for responding to complaints / requests were not met by OM.

Please make sure that the **budget provides adequately** for this function. If the OM can't find capacity to attend to gutters and pavements then homeowners will take accountability for this task provided that **rates are reduced**.

## 8. Outdoor Trim Gym

We were glad to note that the establishment of an “OUTDOOR TRIM GYM” is in the process.

- Please make sure that the end users are consulted in terms of the **type** of the selection of apparatus and the **location** of the facility.



- It is regarded as a facility that will be used by all local citizens: sports teams, families, elderly people.
- It is not, in the first place, a playpark, catering for children and holiday makers. This type of facility will also be offered.

#### 9. Public Participation Process / Communication

Communication is a key component of each and every functional area of the OM. The PPP, as demonstrated by the Housing project, is un-effective. It remains to be a one way communication where officials state their views and decisions. The response of local stakeholders are not minuted, communicated, considered for further clarification and feedback. Please see my responses at all these meetings. It is representing the sentiments of various participants but it was ignored in the minutes. We have to rectify this weakness that exists throughout the OM. The meetings were recorded and the response of the local community must be minuted properly and communicated at the next Ward Meeting and Council Meeting? If required, the capacity to perform this function, should be enhanced.

The leadership and management position of the Area Municipal Manager and the Councillors are under scrutiny. The dissatisfaction of stakeholders are expressed in the media, at meetings and in discussions. The Herald plays a crucial role in creating and aligning perceptions regarding various matters and sentiments. Not all the complaints are true but the way in which it is communicated may have devastating impact on leadership and management. Unfortunately the alternative modes of communication are weak and play no part in sharing relevant information and influence perceptions. Strong and balanced communication is urgently needed to restore confidence in the statutory structures and systems and leadership.

At a recent public meeting "Communication" was singled out as basis for better relationships. It was identified as the biggest problem during the period of conflict but little progress has been made by the municipality to improve awareness.

The Ward Committees must be representative, a-political, transparent and relevant. It is strange that the KTA and the KSW, who are serving on the WC are also participating in the new structure that was established by Gerhard Grobler and Braam Hanekom. The objective of this structure is to establish 'n "nuwe soort politiek" in Kleinmond.

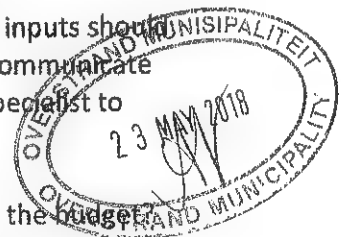
The Inputs to the councillor by the Ward Committee and his report to Council must be communicated in the media or on a web-site. The response of Council to these inputs should also be communicated by the councillor. We can't allow other role-players to communicate their views ahead of the formal structures. I think we need a communication specialist to support us.

#### Baboons

Who takes accountability for baboons? (Cyril/Helen/ Dudley?) Where is the budget?

During the month of February baboons visited our area on a regular basis (Oct 20217 – 8 times). We are scared of the baboons and don't know how to manage the situation. It is unacceptable to expect home owners to live behind closed doors and windows all the time. Please come up with a plan to manage the invasion of baboons? Then communicate the plan? We don't want to hear why the OM can't manage baboons.

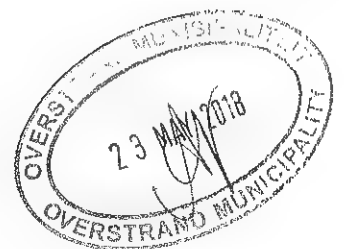
An electrical fence, at strategic positions, to secure the areas of Nature Conservation could be considered.





**11. Drug / Substance abuse**

At the public meeting the OM was requested to come up with a PLAN TO MANAGE THE PROBLEM OF SUBSTANCE ABUSE. Please don't delay this task?





④

**CFO - Draft Budget Review**

**From:** Brian Wridgway <wridgways@gmail.com>  
**To:** <mayor@overstrand.gov.za>,  
 <cgroenewald@overstrand.gov.za>, Kari Brice <...>  
**Date:** 2018/04/11 12:39 PM  
**Subject:** Draft Budget Review

Good afternoon Dudley,

At the recent draft budget and IDP review I asked a number questions about a range of issues which went unanswered and I set them out hereunder by way of reminder.

- 1 The percentage increase in rates and charges has exceeded the rate of inflation as published by STAS SA for 6 of the past 7 years and this is unsustainable. How can this be justified?
- 2 Total revenue, excluding grants, is budgeted to exceed revenue for the current and the next 3 projected years. Is this justified and is it sustainable? Should we not be looking seriously at the cost base and making savings which would allow the budget to balance without the utilisation of capital grants?
- 3 Related to the above is the level of remuneration of the 7 individuals comprised of the Municipal Manager and 6 directors. The perception exists that they are remunerated above the bands for which the municipality qualifies based on the given legislated criteria. Given that 53% of the households in the municipality are indigent and that rates are being raised at a rate which exceeds inflation should this cost not be the first port of call in making savings? These individuals comprise only ,6% of the total staff numbers yet they earn 5% of the total wage bill.
- 4 On page 66 of the draft budget the table shows a total increase in rates at 8,1%. Does this include the increase in VAT from 14% to 15%?

I look forward to your response.

Kind regards,

Brian Wridgway







## CFO - Ward 8 IPD comments

**From:** Rebecca Janse Van Vuuren  
<rebeccajvanvuuren@gmail.com>  
**To:** <cfo@overstrand.gov.za>, <egillion@overstrand.gov.za>  
**Date:** 2018/04/18 12:46 PM  
**Subject:** Ward 8 IPD comments

I have been thinking hard about what I learned at the Hawston/Fisherhaven.

I think my first and foremost concern is that most of the overstrand municipal plans are funded by land sales. I would like to point out that there are alternate systems, both Thailand and Spain should be looked to in this regard. Spain successfully implements tourist tax on foreign owned homes. Thailand only allows life leases on Land that foreigners use commercially. I think a blend of these could work in our favour here.

I briefly read over some analysis made in May 2010 for future planing in Fisherhaven... It is my belief that although it has been earmarked as a "growth point" this shouldn't be treated the same way Hermanus has been.

I highly object to plans involving higher densities whether or not eskom can support it.

The people who choose to life in Fisherhaven are doing so because they want to live in a low density area. They value nature, and the wild horses greatly. I still believe that more small holding types of area's and actual nature reserves should be established within region.

Over development just to accommodate more people would ruin what is most attractive about this outlying area. any further development around the Lagoon is also undesirable. If all municipalities follow the lead of developing beach fronts and coastal points, there will be no quaint harbors for people to retreat to. What we have is rare and beautiful and will attract tourists as it is.

I do understand the purpose of the Indigent Grant, but I want to point out that people who don't qualify don't have any free water at all.... I feel like that violates our basic human right to water. I won't suggest that rates and taxes are changed to rectify this, because we live in a geographical oasis and water is proving to be a very valuable and scares resources, but I appeal any that Fisherhaven is kept low density. I also would like to suggest that some sort of grant to support and encourage people who are implementing grey water and rainwater systems might be setup.

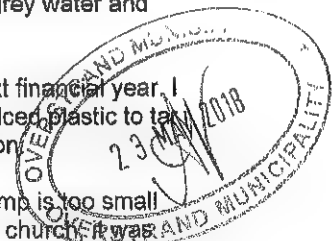
I was relieved to hear that there are very little municipal plans within Fisherhaven for the next financial year. I would like to know if the overstrand municipality had researched the possibility of using recycled plastic to tar roads. It is a popular trend world wide and shouldn't be dismissed without thorough evaluation.

It's obvious that there is a major pollution problem in Hawston. They mentioned that their dump is too small and the budget shows that the karwyderskraal rubbish dump almost full. Hawston asks for a church, it was meentioned that erf 1153 has been zoned for one.

I would recommend donating that land for a community project... there is one recycled bottle building in Zwelihle and they are well documented online as, being fireproof, earthquake proof and built proof.

It is my oplnion that litter is the result of a lack of pride in ones home area and a disregard or lack of understanding of how it can effect the environment for future generations. still There are people who care very much in Hawston and who have asked for help... this could well fall under beautification (I see that word often justifying tree's to be planted in other wards) and I believe that it can also be used as Job creation. ... even a man in a wheelchair with a Litter-Man Picker can be employed in such a regard. I know that there are municipal services that hire people to maintain road side pollution... why can't that be extended?

I am sure that the maintenance of parks and play parks can be included.



While I agree that the camping grounds needs to be fenced the other building's fencing seemed superfluous... I believe that problems should be addressed before niceties and to me Hawston seemed to have some very legitimate concerns.

I would also like to suggest that Community food gardens be encouraged. These sorts of projects encourage activity and hope and I while I am sure they fall under things that are not falling under municipal domain, I would like to point out that Zwellhle and Hawston and Femkloof have communities leaders, it doesn't feel as though the over strand municipality is involved with the community enough. Putting aside all political motivation the people of the Overstrand need to be heard and see that they're being heard.





**Bernard King - NR 6 - Fwd: FW: Begroting 2018/19 - Teerstrate Sandbaai - Fondse uit die verkoop van die Meentgronde van Sandbaai - Wyk 5**

**From:** CFO  
**To:** CFO  
**Date:** 23-05-2018 02:03 PM  
**Subject:** NR 6 - Fwd: FW: Begroting 2018/19 - Teerstrate Sandbaai - Fondse uit die verkoop van die Meentgronde van Sandbaai - Wyk 5  
**Attachments:** R2 Miljoen vir teerstrate - befonds uit die verkoop van die Sandbaai Meent (1).docx

**From:** David Botha [david@route2.co.za]

**Sent:** 30 April 2018 12:05 PM

**To:** Dudley Coetzee <dcoetzee@overstrand.gov.za>

**Cc:** 'Elnora Gillion' <elnoragillion@gmail.com>; Arnie Africa <arniefak@gmail.com>; 'Andrew Komani' <akomani@overstrand.gov.za>; Kari Brice <karibrice@hermanus.co.za>; 'Don Kearney' <dkearney@overstrand.gov.za>; Deon Beukes <deon.beukes@mweb.co.za>; Don Kearney <dkearney@overstrand.gov.za>; Fred Hayman <fred@bujinkan-budo.com>; Henk Lombard <henkl@lantic.net>; Ingrid Green <Ingridgreen@hermanus.co.za>; Kees van de Coolwijk <kees@hermanus.co.za>; Marion Moolman <mmoolman@overstrand.gov.za>; Nico Hechter <nico@oceng.co.za>; Pierre le Roux <pierre149@sonicmail.co.za>; Rita Gerber <ritagerber18@gmail.com>; Vos le Roux <leroux.vos@gmail.com>; Willie Marais <wilpie@whalemail.co.za>

**Subject:** Begroting 2018/19 - Teerstrate Sandbaai - Fondse uit die verkoop van die Meentgronde van Sandbaai

**Importance:** High

Goeiedag Burgemeester

Met verwysing na die vraag en besprekingsessie by die Begrotingsvergadering by Sandbaai op 12 April 2017 die volgende vir u aandag asb:

In terme van die Overstrand Munisipaliteit se konsepbegroting en insette/kommentaar heg ek nou vir u 'n memorandum en versoek aan ivm die toekenning van R2 Miljoen uit die opbrengs van die verkoop van die Sandbaai meentgronde. Die Wykskomitee het ook reeds die Konsepmemorandum verlede week ontvang.

Ek gee ook graag hiermee erkenning aan Mnr Deon Beukes wat die navorsing gedoen het en gehelp het om die memorandum saam te stel.

Ons vertrou dat ons versoek gunstig oorweeg sal word!

Groete

Ing. David Botha  
 Raadslid Wyk 7 – Councillor Ward 7  
 Overstrand  
 Tel & Fax +27 (0) 28 316 1654  
 Mobile +27 (0) 79 491 6218  
 Postnet Suite 172  
 Private Bag X16



Hermanus  
7200





## **ANNEXURE K**

# **PT LG MTEC 3 ASSESSMENT & OVERSTRAND RESPONSE**







## **OVERSTRAND MUNICIPALITY**

### **LG MTEC INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET**

**Western Cape Government**

**MAY 2018**



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## LIST OF ACRONYMS

AQMP	Air Quality Management Plan
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWS	Department of Water and Sanitation
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator



LED	Local Economic Development
LUPO	Land Use Planning Ordinance
MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MMP	Maintenance Management Plan
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
RMP	Road Management Plan
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Storm Water Management Plan
WC	Water Conservation
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works



## SECTION 1: INTRODUCTION

The annual assessment of municipal budgets and Integrated Development Plans (IDPs) by provincial governments is essential. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and Constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2018/19 MTREF Budget, 2018/19 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on **2 May 2018** where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, LED, SDF and various other strategies and plans.

All the information related to the assessment and analysis of the annual budget, IDP and SDF are found in the report below.



## SECTION 2: SOCIO-ECONOMIC OVERVIEW OF THE MUNICIPALITY

### 2.1 SOCIO-ECONOMIC OVERVIEW

A municipal budget is informed and influenced by a wide range of national, provincial and local socio-economic variables and assumptions. Data on these variables and assumptions enable a municipality to make projections and allocations across the three years of the MTREF.

Municipal sustainability requires successful socio-economic development and spatial transformation. Growing the economy in an inclusive way enables the municipality to grow its revenue base, deliver basic services and reduce the number of poor households.

Table 1 below shows socio-economic indicators of the Municipality within the context of the NDP goals and Western Cape Provincial data.

**Table 1: Socio-Economic Indicators**

Indicator	NDP Goals	Western Cape Provincial Data	Municipal Status Quo
<b>Population Growth Rate</b>	0.5% - 1% per annum by 2030 (Nationally)	1.5% per annum (Census 2011, 2016 Community Survey)	2.3% per annum growth rate (MERO 2017) 98 966 (Population estimate 2017, SA9)
<b>Poverty</b>	For zero households to be below the R418 monthly income poverty line	516 321 (households below the poverty line) (DLG, 2017)	7 512 indigent households (MERO 2017)
<b>Per capita Income</b>	Per capita income of R110 000	R61 199 (Stats SA, own calculations 2017)	GDP per Capita R47 127 MERO 2017
<b>Unemployment</b>	14% by 2020	19.5% (2017) (Western Cape Government, Overview of Provincial Revenue and Expenditure, 2018)	5 176 (SA9) 19.0% unemployment rate in 2017 (Municipal data as per SEP-LG 2017)
<b>Education</b>	A learner retention ratio of 90 per cent	Learner retention ratio – 65.6% (SEP-LG 2017)	Learner retention ratio – grade 10 to 12 (2016) – 59.4% (Municipal data as per SEP-LG 2017)
<b>Health</b>	Maternal mortality to fall from 500 to 100 per	Maternal Mortality was 0.1 per 100 000 live births in	Maternal Mortality was 0.2 per 100 000 live births in

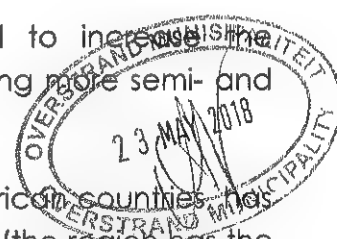


Indicator	NDP Goals	Western Cape Provincial Data	Municipal Status Quo
	100 000 live births	2016. (SEP-LG 2017)	2016. (Municipal data in the 2017 IDP as per SEP-LG 2017)
<b>Access to Basic Services</b>	Access to Electricity at 95 per cent. Expansion of the renewable energy sources including a national target of 5 million solar water heaters by 2030.	Western Cape average access to electricity in 2016: 96.5% (Stats SA)	Above service level: 22 191 (prepaid households) Above service level: 5 370 (Eskom households) (A10, SA9) Access to electricity 2016: 96.9% (Stats SA)
	100 per cent access to clean potable water	Western Cape average access to water in 2016: 99.0% (Stats SA)	Above service level: 30 209 households (A10) Access to water 2016: 99.1% (Stats SA)
	All South Africans will have affordable, reliable access to sufficient safe water and hygienic sanitation by 2030	Western Cape average access to sanitation 2016: 94.6% (Stats SA)	Above service level: 30 597 (households) Below service level: 1 971 (A10) Access to sanitation 2016: 99.2% (Stats SA)
	Housing	Western Cape average access to housing in 2016: 82.4% (Stats SA)	Above service level: 32 990 (A10) Access to housing in 2016: 79.1% (Stats SA)
	Refuse removal	Western Cape average access to refuse removal in 2016: 86.8% (Stats SA)	Households: Formal: 26 306 Informal: 3 141 (A10) Access to refuse removal 2016: 94.0% (Stats SA)



## Comments:

- The renewed confidence of developed countries, coupled with optimistic commodity-driven prospects within emerging and developing markets, are driving global growth upwards in 2018 and 2019. Economic growth in South Africa however remains sluggish and appears unable to keep pace with the expansion of the global economy.
- Increased economic hardship at national level is expected to impact on poorer households and their ability to afford quality services. The burden will in turn be passed to local municipalities who must strain their revenue streams to extend services to indigents.
- Despite government making significant progress to extend access to basic services to all households, access to sanitation and refuse removal remains a major concern. Backlogs are particularly profound within rural and informal residential areas as opposed to more affluent suburbs within urban environments that enjoy access to services far above the minimum service level standard set by National Government.
- Although access to primary schooling has improved a great deal since 1994, the overall quality of education has not been stellar, evident from a 2015 OECD report which ranked South Africa 75<sup>th</sup> out of 76 in a ranking table of education systems. A recent study that placed South Africa near the bottom of several categories measuring international schooling trends in mathematics and science. This does not bode well to improve access to higher education opportunities. The South African schooling system is also plagued by excessively high learner-teacher ratios and high school drop-outs.
- The high number of high school drop-outs is expected to increase as the unemployment rate amidst a labour market that is demanding more semi- and skilled workers.
- Life expectancy within South Africa, as with other southern African countries, has been largely affected by the prevalence of HIV in the region (the region has the highest prevalence statistics in the whole world) (UNAIDS 2017, World Bank 2018). Yet, the life expectancy has been on the upswing for the past decade at least due to the implementation of the antiretroviral treatment roll-out.



## SECTION 3: INTEGRATED PLANNING

### 3.1 INTRODUCTION

The IDP is the principal strategic planning instrument which provides the strategic direction for all the activities of the Municipality over the five years and is linked to the council term of office. Each municipal council must annually review and may amend the IDP of the Municipality. The 2018/19 IDP review is the first of the 2017 - 2022 IDP. The 2018/19 IDP review approach takes into consideration the assessment of its performance measurements and to the extent that changing circumstances so demands. Should the review process determine an amendment is required, municipalities are to follow the process as stipulated in the MSA Regulation 3.

The Overstrand Municipality (the Municipality) followed a process of review as regulated by Section 34 of the MSA. The 2018/19 Draft Reviewed IDP should be read in conjunction with the 2017 - 2022 IDP and only serves to review whether the Municipality is still on course in attaining the strategic direction of the 2017 - 2022 IDP.

The 2018/19 Draft Reviewed IDP reflects that the strategic direction of the current 5-year IDP (2017 - 2022) remains unchanged. This was confirmed by means of a workshop, where the SWOT analysis, vision and mission were workshopped. Challenges highlighted by the SWOT analysis include inadequate and/or non-existing public transport services; lack of suitable and affordable land; and gaps in services. The Municipality's well-maintained infrastructure and competitive rates and taxes have been identified as a strength which would enable a diversified economy, ensuring both commercial and professional opportunities to all.

In terms of basic services as well as backlogs, the Municipality indicated that all formal and informal settlements have access to basic water and sanitation services, whilst the backlogs that still exist within rural areas, are continually being improved. The current backlogs that exist in electricity services will be addressed in the 5-year Housing Plan.

In terms of infrastructure provision, the outward sprawl of low density development on the edges, poses a huge threat to the urban footprint of the Municipality and also increases the cost of infrastructure provision and maintenance. However, the SDF identified Kleinmond, Hawston, Hermanus, Stanford and Gansbaai with its suburbs as areas prioritised for further development. This is due to bulk services being available to support densification.



### 3.2 MUNICIPAL INFRASTRUCTURE

#### 3.2.1 Basic Service Provision

The 2018/19 Draft Reviewed IDP reflects the existing level of development, as well as the proportion of households with service backlogs in terms of water, sanitation, electricity and housing. Actions to address the existing backlogs and challenges as well as progress made, are reflected in the 2018/19 Draft Reviewed IDP. However, the Municipality has not reflected the communities that do not have access to basic services.

#### Recommendation

The Municipality should indicate the communities that do not have access to basic services at ward or community level in future reviews of the 2017 - 2022 IDP.

#### 3.2.2 Municipal Infrastructure Planning

The 2018/19 Draft Reviewed IDP reflects the development and approval of an Infrastructure Growth Plan, inclusive of an Infrastructure Investment Development Framework, planned in the 2018/19 financial year. This is also listed as a Joint Planning Initiative and the status is indicated as ongoing. The Municipality has also achieved 100 per cent spending on their MIG allocations for the past 5 years.

The 2018/19 Draft Reviewed IDP indicates a total of 16 infrastructure and/or capital investment projects with a total budgeted value of R319.580 million are planned by Provincial Departments for the MTEF period 2018/19 to 2020/21 for the Municipality. The projects registered on the grant databases are aligned to priorities identified in the Municipal IDP, SDF and Infrastructure Master Plans.

The continued outward spread of low density development on the edges of Overstrand towns is leading to significant and rapid increases in the urban footprint of the towns and increases the cost of infrastructure provision and maintenance.

#### 3.2.3 Transport and Roads

The 2018/19 Draft Reviewed IDP reflects an approved Integrated Transport Plan (ITP), which is due for review during the 2018/19 financial year. The Overstrand Transport Plan Volume 1, which was developed by the Department of Transport and Public Works, will serve along with the Municipal ITP, as the Road Transport Plan for the Municipality. The 2018/19 Draft Reviewed IDP reflects that 64 per cent of the projects listed in current ITP have been implemented. The 2018/19 Draft Reviewed IDP also indicates that the maintenance of roads and storm water infrastructure for the area



is scheduled and recorded in the Engineering Management Information System (EMIS).

### **Recommendation**

The Municipality should reflect on major roads projects planned by the Provincial Department over the short to medium term in the Adopted 2018/19 Reviewed IDP.

### **3.3 HUMAN SETTLEMENTS**

The Municipality has compiled their 5-year Human Settlement Strategy and Programme which aims to improve housing development and delivery within the Municipality. The 2018/19 Draft Reviewed IDP reflects that much of the housing demand captured in the Human Settlements Plan, consists of families living in informal structures of informal settlements and backyards. The IDP also states that no reliable information is available on the number of backyard dwellers, which hampers planning for housing in this regard.

### **Recommendation**

The Municipality should include reliable numbers or statistics on the number of backyard dwellers, which would assist in planning for future housing projects.

### **3.4 DISASTER MANAGEMENT**

The Municipality has a good reflection of the disaster management activities in the 2018/19 Draft Reviewed IDP. The disaster management linkages with climate change and development throughout the 2018/19 Draft Reviewed IDP is evident. It is noted that the Municipality is in the process of establishing a Municipal Advisory Forum, which is crucial in mitigating the impact of disasters. The 2018/19 Draft Reviewed IDP also reflects the most prevalent risks in the Municipality and the prevention and mitigation measures for each hazard. The Provincial Disaster Management Centre will support the Municipality in conducting a Disaster Risk Assessment in the 2018/19 financial year.

### **Recommendation**

The 2018/19 Adopted Reviewed IDP should include a budget allocation, as a contingency, to contribute towards the reconstruction and rehabilitation of damaged infrastructure (flood and storm damage, as well as water supply initiatives in response to drought).



### **3.5 SOCIAL SERVICES (HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORT, SOCIAL DEVELOPMENT, THUSONG, EPWP, CWP)**

#### **3.5.1 Cultural Affairs and Sport**

The Municipality is successfully implementing the Provincial Language Policy in creating effective communication mediums to all stakeholders. The 2018/19 Draft Reviewed IDP reflects that the Municipality has done an analysis of its sports and recreation needs and recognises that sports can be utilised to foster LED by expanding tourism offerings to cater for extreme/ordinary sports events, adventure-sport opportunities and safe family outings. It further shows that a number of sports grounds require upgrading, whilst the rest are in generally good condition.

It is noted that the Municipality hosted the annual Overstrand Sports Festival, Street Soccer and Mass Participation Programmes, aimed at promoting tourism, social, and economic development in Overstrand. The 2018/19 Draft Reviewed IDP indicates that the Municipality has a Heritage Management Plan in place, which is linked to tourism activities.

#### **3.5.2 Safety and Security**

The Overstrand Municipal Safety Plan, reflected in the 2018/19 Draft Reviewed IDP, focuses on integrated, increased visible policing in all communities in an effort to deter serious crimes as well as petty crimes and other offences.

The 2018/19 Draft Reviewed IDP also reflects the high percentage of households which fall within the low-income bracket; this could impact on safety and security, as well as increased poverty levels.

### **3.6 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

The 2018/19 Draft Reviewed IDP reflects Institutional Development and Transformation as a key performance area, linked to specific objectives of the Municipality. Employment equity numbers and the percentage of the budget spent on the Workplace Skills Plan are also reflected in the IDP. The 2018/19 Draft Reviewed IDP reflects that the 2016/17 approved organogram had 1 143 posts for the 2016/17 financial year of which 125 posts were vacant at the end of (2016/17), resulting in a vacancy rate of 10.94 per cent.

The Top Layer SDBIP is reflected in the 2018/19 Draft Reviewed IDP and sets out service delivery targets for basic service delivery. The SDBIP provides an overall picture of performance for the Municipality as a whole and reflects the performance on each strategic objective and service delivery priorities. It also



includes non-financial and financial key performance indicators contained in the 2018/19 draft Top Layer SDBIP.

### 3.7 PUBLIC PARTICIPATION

The 2018/19 Draft Reviewed IDP reflects that the Ward Committee System and the Overstrand Municipal Advisory Forum are the two structures through which public participation is conducted. All 13 Ward Committees are functional and meet on a monthly basis, based on the Council's meeting cycle. The approved Public Participation Policy, which was adopted in September 2016, is also reflected in the 2018/19 Draft Approved IDP. The Municipality was chosen as a pilot site for the implementation of the 'Citizen Engagement Application' implemented by the Department of Local Government, in support of providing citizens with an additional alternative mechanism for service delivery reporting.

### 3.8 KEY FINDINGS, RISKS AND RECOMMENDATIONS

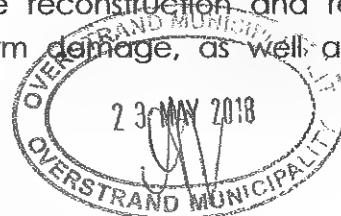
Cognisance should be taken with regards to the high percentage of households that fall within the low-income bracket (52.7 per cent). This would impact on the increased poverty headcount, as well as safety and security concerns and would also place an increased burden on the Municipality's long term financial sustainability.

Since the population size is growing at a faster rate than the economy, it poses a threat to the Municipality. This will impact on the need for education and social related services over the medium to long term in Overstrand, and would also influence the service backlog.

The on-going in-migration into the Overstrand Municipal area will place increasing demands on the infrastructure and available space for urban growth. The increased urban footprint in the Municipal area needs careful management if it is not to impact negatively on the natural environment of Overstrand.

#### Recommendations

- The Municipality should include, at community or ward level, the communities that do not have access to basic services, in future reviews of the 2017 - 2022 IDP.
- The Municipality should link its priority risk reduction projects to the budget.
- The Municipality should include the percentage budget allocation, as a contingency, to contribute towards the reconstruction and rehabilitation of damaged infrastructure (flood and storm damage, as well as water supply response to drought).



- The Municipality should include an approved organogram, as well as updated vacancy rates, in their Adopted 2018/19 Reviewed IDP.
- The Municipality should reflect reliable numbers or statistics on the number of backyard dwellers within the Municipality to assist in planning for future housing projects.





## SECTION 4: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

### 4.1 STRATEGIC OVERVIEW AND IMPORTANT MATTERS

- A more accurate depiction of population statistics and population projections is required as a matter of urgency as this has a huge impact on the responses to housing, engineering infrastructure and social facility provision.
- The SDF (which includes various precinct plans) does not include a Capital Investment Framework. However, the Integrated Development Framework includes an Action Plan. The budget allocation is responsive to the Action Plan.
- The Draft IDP notes that the Spatial Development Framework, the Long-Term Financial Plan, the Integrated Transport Plan, and the Infrastructure Growth Plan will be drafted in the 2018/19 financial year.
- Water scarcity, sea level rise, and the increase in extreme weather and storms are identified in the Draft IDP as the key areas of concern. The Draft IDP notes the key initiatives that are underway in this regard. These include:
  - The establishment of a Task Team to explore the risk placed on the Municipality's water supply as a result of the close proximity to the City of Cape Town;
  - The establishment of water conservation and awareness campaigns; and
  - The ongoing implementation of the coastal set back lines.
- It is recommended that Municipality develops and tables an Alien Invasive Management Plan in terms of the provision of National Environmental Management: Biodiversity Act (NEM: BA).
- It is recommended that the Municipality during their next review incorporates the WC Biodiversity Spatial Plan (2017) as the latest most accurate biodiversity informant in the Spatial Development Framework/ Environmental Management Framework.
- Climate change impacts are being experienced now and additional future impacts are unavoidable. The current drought is but one example of a climate change manifestation. Climate change response is therefore required as everyday risk reduction management, and equally as environmental, economic and social responses. Understanding of reduction of emissions, and risk reduction and management needs to be integrated in general across all sector inputs into the IDP. The ten-page Climate Change Advisory developed for Overstrand



Municipality in 2016, is still relevant and should be checked against by the Municipality for guidance on enhancing climate change responses from sectors within their IDP implementation.

- The Municipality must expand their current regional waste disposal facility at Karwyderskraal to accommodate for disposal and utilise airspace. The maintenance and protection against vandalism of current infrastructure needs to be implemented.
- In accordance with the National Environmental Management: Waste Act 59 of 2008: National Waste Information Regulations, all municipalities will be required to submit actual quantities of waste for the different activities they are registered for on Integrated Pollutant and Waste Information System (IPWIS) from 2018. It is therefore imperative that municipalities allocate funding and make provision for the acquisition of such equipment in their municipal budgets for the financial year 2018/19. Municipalities which currently make use of a waste estimation system, will have to make provision for the acquisition of equipment to obtain actual weights.
- The Provincial Government has taken a position to institute a 50 per cent ban on organic waste to landfill by 2023 and a total ban by 2028. The diversion of organic waste can divert as much as 38 per cent of waste to landfill if effective strategies are implemented.
- A Draft Coastal Management Line has been delineated for the entire provincial coastline. The draft Coastal Management Line has not yet been established by the MEC in terms of the Integrated Coastal Management Act due to the challenges associated with the implementation mechanism. Additionally, the Overberg District Coastal Management Lines need to be amended to the 1:50 year risk line as the impact of erosion is already apparent along the current draft Coastal Management Line, which is based on the 1:20 year risk line. The Coastal Management Line establishment process requires another round of municipal stakeholder engagement as per the Integrated Coastal Management Act. However, this can only be done once the implementation mechanism has been finalised.
- Although the Municipality partially complies regarding the Section 30 (Control of Incidents) function of the National Environmental Management Act (an official in the Municipality is currently carrying out the Section function), and Section 30 training is taking place with the Municipality, it is imperative that the Municipal Manager formally submit to the DEA&DP the name of the designated official who will be responsible for this function.



- The Overstrand Municipality is fully compliant to the National Environmental Management: Air Quality Act. A By-law needs to be developed and adopted to ensure compliance to air quality management.

#### **4.2 CURRENT WORK UNDERTAKEN (E.G. SUPPORT/PROGRAMMES/PROJECTS)**

- Waste management support is being provided through various workstreams, including, a waste characterisation guideline to be workshopped within the West Coast municipal area, the finalisation of a Construction and Demolition Waste (C&DW) Guideline, Status Quo Report on E-waste (by March 2018) and Waste Management License Amendment Project in addition to ongoing support in terms of waste data recording and reporting on Integrated Pollutant and Waste Information System (IPWIS).
- In terms of Waste, the DEA&DP has produced guidelines on the management of abattoir and green waste respectively, and hosts workshops on organic waste. The aim of the workshops is to share information on best practice and to create opportunities for partnerships between municipalities and the private sector.
- The DEA&DP is continuing its support to municipalities through the implementation of the Provincial Coastal Management Programme (PCMP) and will provide technical support in implementing the Municipal CMPs. The Provincial Coastal Access Strategy and Plan (PCASP) has now been finalised and the coastal access audit for the entire West Coast District was completed in 2013. This work will be aligned to the PCASP in the upcoming Departmental financial year in collaboration with the Overstrand Municipality.
- The DEA&DP, together with the Department of Local Government, have circulated a questionnaire to municipalities, that intends to gauge the appetite and readiness of municipalities to take up Responsible Management Authority (RMA) function for estuary management. Furthermore, once the responses to the questionnaires have been received, the Department will be meeting with the Local and District Municipalities to discuss the questionnaire and to reach consensus/an agreement on the RMA function. An inter-governmental agreement in terms of the Intergovernmental Relations Framework (IGRF) Act could be entered into with the relevant municipality/municipalities to set out the roles and responsibilities for estuarine management.
- The Local Municipality liaises with the sub-directorate Remediation and Emergency Incident Management on Section 30 incidents.



#### 4.3 KEY FINDINGS, RISKS/RECOMMENDATIONS

- It is recommended that the Municipality develops and tables an Alien Invasive Management Plan in terms of the provision of NEM: BA.
- It is recommended that the Municipality during their next review incorporate the WC Biodiversity Spatial Plan (2017) as the latest most accurate biodiversity informant in the SDF/EMF.
- The Municipality is urged to expand their current regional waste disposal facility at Karwyderskraal to accommodate for disposal and utilise airspace. The maintenance and protection against vandalism of current infrastructure needs to be implemented.
- It is imperative that the Municipal Manager formally submit to the DEA&DP the name of the official in the Municipality who will be responsible for the (Section 30), 'Control of Incidents' function.



## SECTION 5: ASSESSMENT OF THE BUDGET RESPONSIVENESS

### 5.1 ECONOMIC SUSTAINABILITY

#### 5.1.1 Introduction

Although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

Nationally, growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.<sup>1</sup>

The GDP growth rate is forecast at 1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020. As the outlook of the national economy improves, the adverse impact of the current drought, particularly on the agricultural sector, continues to weigh on the Western Cape's economic performance and outlook. Growth in the Western Cape is expected to have remained largely flat in 2017, in contrast to a projected growth acceleration for the national economy.<sup>2</sup>

The drought and the water crisis, disasters as well as other issues relating to climate change (particularly fire, water shortages and floods) continue to be major risks in the Western Cape. Severe consequences resulting from the water crisis include: the inability to provide basic services to communities impacting on the sustainability of businesses and the economy; the deterioration of socio-economic conditions including increased poverty and inequality; the potential exodus of skilled labour; the potential disruption to education and health systems; increased food inflation with adverse knock-on effects; possible disease outbreaks coupled with the reduced ability for containment (affecting people, plants and animals); impact on the delivery of key infrastructure projects that are water dependent; greater reliance on the provision of government services and an impact on municipal sustainability.

Local government sustainability continues to be the overarching theme against which municipal budgets are assessed. Cognisance should be taken of recent political developments and the associated change in national priorities which will subsequently impact upon the short-term municipal planning and budgeting efforts as well as the medium-term growth and development outlook of local government.

<sup>1</sup> National Treasury, MFMA Circular No. 91 (2018)

<sup>2</sup> Western Cape Government, Budget Overview (2018)



This section examines if the tabled 2018/19 MTREF Budget is responsive from an economic and socio-economic perspective and the Municipality's ability to meet the legitimate expectations of the community for services from its limited resources in order to effect inclusive growth and contribute to the economic sustainability over the long term.

### 5.1.2 Overview of the Key Priorities in terms of IDP Strategic Objectives

The 2018/19 MTREF budget breakdown in terms of the strategic objectives is indicated in the table below. Overstrand Municipality budgeted for a total operating expenditure of R1.124 billion and a total capital budget of R171.736 million in the 2018/19 financial year.

**Table 2: Strategic Objectives for the 2018/19 Medium Term Revenue & Expenditure Framework**

Overstrand Supporting Table SA5 & SA6 Reconciliation of IDP Strategic Objectives and Budget (Operating and Capital Expenditure)								
Strategic Objective	2018/19 Medium Term Revenue & Expenditure Framework OPEX				2018/19 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Average Annual Growth	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Average Annual Growth
R thousand								
The provision of democratic, accountable and ethical governance	220 640	237 706	241 375	4.6%	5 836	20 000	20 000	85.1%
The provision and maintenance of municipal services	560 317	593 888	625 649	5.7%	96 691	71 550	77 436	-10.5%
The encouragement of structured community participation in the matters of the municipality	1 270	1 400	1 600	12.2%	5 230	5 230	5 230	0.0%
The creation and maintenance of a safe and healthy environment	143 061	179 208	165 776	7.6%	49 184	29 750	32 583	-18.6%
The promotion of tourism, economic and social development	198 968	209 213	215 101	4.0%	14 795	6 500	2 000	-83.2%
<b>Total Expenditure</b>	<b>1 124 257</b>	<b>1 221 415</b>	<b>1 249 501</b>	<b>5.4%</b>	<b>171 736</b>	<b>133 030</b>	<b>137 249</b>	<b>-10.6%</b>

Source: Overstrand Municipality 2018/19 tabled budget

The Municipality's five key strategic objectives remain unchanged and are aligned to the functional areas, namely, (1) The provision of democratic, accountable and ethical governance; (2) The provision and maintenance of municipal services; (3) The encouragement of structured community participation in the matters of the Municipality; (4) The creation and maintenance of a safe and healthy environment; and (5) The promotion of tourism, economic and social development.

The bulk of the 2018/19 combined expenditure budget spending relates to The provision and maintenance of municipal services (50.7 per cent), The promotion of tourism, economic and social development (16,5 per cent). The provision of



democratic, accountable and ethical governance (17.5 per cent) and The encouragement of structured community (14.8 per cent).

## **5.2 BUDGET RESPONSIVENESS ASSESSMENT**

### **5.2.1 Economic growth**

The Overstrand municipal area is the second largest local economy in the Overberg District, contributing 31.3 per cent to the Overberg District economy. This municipal area has experienced an average annual growth rate of 2.4 per cent over the last five years, which is slightly lower than the District GDP growth rate (MERO 2017).

The economic sectors that contributed the most to the Overstrand economy in 2015 were the finance, insurance, real estate and business services (24.1 per cent), the wholesale and retail trade, catering and accommodation sector (19.6 per cent), and the manufacturing (14.5 per cent) sectors. These sectors have been growing at above average rates over the last five years (MERO 2017).

#### **Local economic development**

Local Economic Development initiatives that the Municipality will embark on as included in the draft 2018/19 Service Delivery and Implementation Plan include; establishment of linkages with other spheres of government, agencies, donors, SALGA, stakeholder management as well as creation of partnership to broaden economic benefit for local economies, raising funds for local economic development through financial and non-financial resource mobilisation, supporting 100 SMMEs in terms of the SMME Development programme and 50 SMMEs in terms of Emerging Contractor Development programme.

For 2018/19 an amount of R35.66 million from the operating budget will be appropriated for planning and development.

#### **Budget Implications and conclusions**

- The Municipality is investing in infrastructure development as a catalyst for economic growth.
- An amount of R96.69 million will be appropriated for trading services which represents 56.3 per cent of the total capital budget of R171.7 million in 2018/19. In the outer years, this amount totals R71.55 million (53.8 per cent) and R77.44 million (56.4 per cent) respectively for each of the outer financial years.
- Waste water infrastructure has the highest capital expenditure allocation at R38.34 million in 2018/19 which equates to 22.3 per cent of the total capital



budget decreasing to R19.44 million in 2019/20 and up again to R23.96 million in 2020/21.

- Housing infrastructure is allocated R35.47 million which equates to 20.7 per cent of the capital budget in 2018/19.
- Water infrastructure is allocated R32.08 million in 2018/19 which equates to 18.7 per cent followed by energy at R24.77 million (14.4 per cent).
- Road infrastructure is budgeted at R9.070 million of the capital budget in 2018/19.

### 5.2.2 Employment

The Overstrand municipal area contributed 28.7 per cent to employment in the District in 2015; this municipal area had a significantly higher unemployment rate in 2015 (17.8 per cent) compared to the rest of the District (12.8 per cent) during this time (MERO 2017).

The majority of the formally employed workers in the Overstrand area (46.5 per cent) were semi-skilled in 2015, while 33.3 per cent were low-skilled and 20.3 per cent were skilled.

As per Table SA9 there are 5 176 persons unemployed in the Municipality in 2018/19. The Municipal Economic Review and Outlook (2017) estimates that unemployment has been steadily rising in the Overstrand municipal area over the last decade, with an unemployment rate of 17.8 per cent recorded in 2015. In 2016, the unemployment rate of the Overstrand municipal area is estimated to have increased to 19.0 per cent in 2016. This impacts the indigent numbers in the Municipality.

### Budget Implications and conclusions

The Municipality facilitates an environment that will attract sectors with high value and support industries that yield employment opportunities.

The 2016/17 Annual Report indicates that the Municipality has been able to create 828 jobs through its EPWP programme.

Furthermore, for the financial year 2018/19 the Municipality plan to create 1 000 job opportunities through EPWP programme and as per set targets.

Supporting Table SA18 indicates that for the financial year 2018/19, the allocation for EPWP amount to R1.926 million compared to R2.3 million in 2017/18 financial year.





### 5.2.3 Quality of Life

#### Water

- The Municipality's risk register as included in the draft 2018/19 IDP review includes limited water resources as one of the top risks faced by the Municipality. Challenges regarding water includes limited water resources, and the high cost of desalination in order to utilise seawater.
- The Municipality's 2016/17 Annual Report reflects that the Municipality is focusing on water sustainability. The 2016/17 Annual report indicates that in order to counter the effect of climate change and future dry periods, a strategy of diversifying water resources between surface water, ground water, and eventually waste water re-use and sea water desalination has been embarked upon.
- According to Schedule A10 information presented in the budget, 30 209 households in Overstrand Municipality will be provided with piped water in 2018/19. No backlog is recorded in terms of access to piped water, however the Municipality does note that there are minor backlogs in farms and that it is the responsibility of the farm owner to provide water to the people living in the farm.

#### Sanitation/Sewage

- According to Schedule A10 information presented in the budget, Sanitation access is available to at least 29 706 households in Overstrand Municipality. Again, no backlog is recorded for sanitation.

#### Electricity

- 27 561 households in Overstrand Municipality will be provided with electricity in 2018/19. Again, no backlog is recorded for electricity.

#### Refuse removal

- 32 990 households in Overstrand Municipality will be provided with refuse removal services in 2018/19. Again, no backlog is recorded for refuse removal.

#### Housing

- The 2016/17 Annual Report quantifies the housing backlog (housing waiting list) at 7 612 housing units. However, only 3 157 informal dwellings are recorded in SA9 for the corresponding period, whilst 3 141 is reported for 2018/19.



- The Annual Report specifies that the housing backlogs will be dealt with through progressively addressed through a number of programs such as IRDP, UISP, Institutional Subsidy Programme and GAP housing.

#### **Provision of free basic services**

- As a response to poverty alleviation, the 2016/17 Annual Reports states that all households earning less than R5 641 receive free basic services as prescribed by the national policy.
- Approximately 7 418 households received access to free basic services in 2016/17 which equates to 22.3 per cent of households in the municipal area.
- Free Basic sanitation, refuse, electricity and water services will be provided to 7 900 households in 2018/19 and this number is expected to increase 8 900 households in 2020/21.
- Table SA9 was not completed in full and has missing information pertaining to poor households (for the MTREF), formal and informal households (2020/21). This vital information for planning purposes over the MTREF.

#### **Budget Implications and conclusions**

- The 2018/19 draft operating expenditure budget allocates R560.32 million towards trading services (49.8 per cent); electricity distribution receives the majority of this amount, a total of R305.11 million.
- Water receives the second highest priority in the operating budget at R109.996 million; finance and administration collectively receives an allocation of R163.015 million in 2018/19.
- The major capital expenditure planned for 2018/19 sees R96.69 million allocated to trading services (56.3 per cent). Of this allocation energy is budgeted R24.77 million, R32.08 million for water management, R38.34 million for waste water management and R1.50 million for waste management.
- Almost R79.30 million in 2018/19 is earmarked for the social package of services to assist the poor for free basic services such as electricity, refuse removal, water, sanitation and rates rebates to residents who qualify.



### 5.3 BUDGET RESPONSIVENESS: MAIN POINTS AND RISKS/FINDINGS

- Increased economic hardship at national level is expected to impact on poorer households and their ability to afford basic services. The burden will in turn be passed to local municipalities who must strain their revenue streams to extend services to indigents.
- Water sustainability is crucial for long term planning.
- Information in Table SA9 must be completed in full. The reported backlogs for housing need to be reconciled between the Annual Report and that reported in the Budget (SA9).
- Overall, the Municipality has performed in terms of service delivery well as no backlogs is reported for water, refuse, sanitation and electricity.



## SECTION 6: CREDIBILITY AND SUSTAINABILITY

### 6.1 REVIEW OF THE NEW (2018/19) MTREF

#### 6.1.1 Expected Outcome for Current Financial Year

**Purpose:** To consider current year and past revenue streams and spending trends that may have an impact on future on budgetary provisions.

**Table 3: Budgeted Performance against Audited Performance**

Description	2015/16				2016/17				2017/18			
	Adjusted Budget	Audited Outcome	Variance	Diff %	Adjusted Budget	Audited Outcome	Difference	Diff %	Original	Adjusted Budget	Difference	Diff %
<b>Financial Performance</b>												
Property rates	163 621	164 486	864	1%	190 639	197 047	6 408	3%	212 784	214 752	1 967	1%
Service charges	568 784	573 118	4 334	1%	608 116	624 577	16 461	3%	577 648	588 148	10 500	1%
Investment revenue	8 973	12 209	3 237	36%	15 489	20 347	4 858	31%	13 962	19 462	5 500	39%
Transfers recognised - operational	103 555	103 629	74	0%	121 725	114 411	(7 313)	-6%	113 688	128 217	15 529	14%
Other own revenue	68 140	77 249	9 109	13%	70 335	96 741	26 406	38%	75 134	98 062	22 928	31%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>913 073</b>	<b>930 691</b>	<b>17 618</b>	<b>2%</b>	<b>1 004 305</b>	<b>1 053 123</b>	<b>48 819</b>	<b>5%</b>	<b>993 217</b>	<b>1 047 640</b>	<b>54 424</b>	<b>5%</b>
Employee costs	282 827	274 564	(8 263)	-3%	310 496	292 827	(17 669)	-6%	333 225	329 165	(4 060)	-1%
Remuneration of councillors	8 674	8 566	(108)	-1%	9 507	8 674	(832)	-9%	10 053	10 253	200	2%
Depreciation & asset impairment	111 362	122 909	11 548	10%	127 347	111 362	(15 985)	-13%	130 287	130 287	-	0%
Finance charges	46 895	46 207	(687)	-1%	46 421	47 440	1 019	2%	47 440	47 440	-	0%
Materials and bulk purchases	253 080	214 224	(38 856)	-15%	276 555	253 080	(23 475)	-8%	261 083	273 537	12 454	5%
Transfers and grants	49 448	51 090	1 641	3%	57 479	51 090	(6 389)	-11%	1 778	1 778	-	0%
Other expenditure	227 438	220 166	(7 272)	-3%	245 159	227 438	(17 721)	-7%	253 926	259 737	5 811	2%
<b>Total Expenditure</b>	<b>889 724</b>	<b>937 727</b>	<b>(51 998)</b>	<b>-6%</b>	<b>1 072 964</b>	<b>989 724</b>	<b>(83 240)</b>	<b>-8%</b>	<b>1 037 601</b>	<b>1 062 197</b>	<b>24 596</b>	<b>2%</b>
<b>Surplus/(Deficit)</b>	<b>(76 651)</b>	<b>(7 036)</b>	<b>69 616</b>	<b>-91%</b>	<b>(68 659)</b>	<b>(76 651)</b>	<b>(7 992)</b>	<b>12%</b>	<b>(44 584)</b>	<b>(4 558)</b>	<b>40 026</b>	<b>-90%</b>
Transfers recognised - capital	60 761	60 651	(109)	0%	35 381	60 761	25 379	72%	47 840	73 441	25 601	54%
Contributions recognised - capital & contributed assets	1 000	-	(1 000)	-100%	1 000	1 000	-	0%	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(14 890)</b>	<b>53 616</b>	<b>68 506</b>	<b>-460%</b>	<b>(32 278)</b>	<b>(14 890)</b>	<b>17 387</b>	<b>-54%</b>	<b>3 256</b>	<b>68 885</b>	<b>65 629</b>	<b>2018%</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	0	-
<b>Surplus/(Deficit) for the year</b>	<b>(14 890)</b>	<b>53 616</b>	<b>68 506</b>	<b>-460%</b>	<b>(32 278)</b>	<b>(14 890)</b>	<b>17 387</b>	<b>-54%</b>	<b>3 256</b>	<b>68 885</b>	<b>65 629</b>	<b>2018%</b>
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>	<b>103 386</b>	<b>95 133</b>	<b>(8 253)</b>	<b>-8%</b>	<b>86 266</b>	<b>91 868</b>	<b>5 602</b>	<b>6%</b>	<b>97 648</b>	<b>116 620</b>	<b>18 972</b>	<b>19%</b>
Transfers recognised - capital	61 761	60 651	(1 109)	-2%	35 381	41 774	6 393	18%	47 840	73 436	25 596	54%
Public contributions & donations	462	743	281	61%	1 462	1 440	(22)	-2%	-	-	-	-
Borrowing	33 419	27 189	(6 230)	-19%	35 854	35 550	(304)	-1%	30 000	23 200	(6 800)	-23%
Internally generated funds	7 745	6 549	(1 195)	-15%	13 569	13 104	(465)	-3%	19 808	19 983	175	1%
<b>Total sources of capital funds</b>	<b>103 386</b>	<b>95 133</b>	<b>(8 253)</b>	<b>-8%</b>	<b>86 266</b>	<b>91 868</b>	<b>5 602</b>	<b>6%</b>	<b>97 648</b>	<b>130 284</b>	<b>32 636</b>	<b>33%</b>

Source: 2018/19 MTREF Budget and 2015/16 and 2016/17 Annual Financial Statements

The Municipality in aggregate has performed well, with the implementation of the operating budget for the past two audit years. However, the Municipality has been conservative in the investment revenue projections.

The Municipality reported material variances for the two most recent audit years for depreciation and although a non-cash item, this expenditure item is a measurement of the rate of asset consumption and important element of the lifecycle asset



management and hence measures should be put in place to ensure the baseline calculations are more accurate.

In terms of capital budget performance, the Municipality has underspent in 2015/16 by 7.8 per cent and overspent by 7.0 per cent in 2016/17 financial year. For the current financial year, the year-to-date for capital expenditure is at 30.56 per cent against the adjusted budget of R116.6 million, which is low given the remaining period in the financial year.

## Budget Overview

**Table 4: Budget Overview**

Description	2014/15	2015/16	2016/17	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>R thousands</b>								
Total Revenue (excluding capital transfers and contributions)	1 004 564	930 691	1 053 123	993 217	1 047 640	1 054 955	1 154 118	1 210 081
Total Expenditure	924 126	937 727	1 047 691	1 037 801	1 052 197	1 124 257	1 221 414	1 249 501
Surplus/(Deficit)	(119 542)	(7 036)	5 432	(44 584)	(4 558)	(69 302)	(67 297)	(39 420)
<i>Non-Cash Items</i>								
Debt impairment	7 693	13 785	22 005	22 792	22 792	22 792	22 792	22 792
Depreciation & asset impairment	122 559	122 909	132 463	130 287	130 287	130 362	128 876	127 899
Restated Result	10 710	120 100	135 900	108 494	148 522	83 852	84 372	111 271
<b>Capital expenditure &amp; funds sources</b>								
Capital expenditure	109 902	95 133	91 868	97 648	116 620	171 736	133 030	137 249
Transfers recognised - capital	55 734	60 651	41 774	47 840	73 436	62 068	58 530	63 249
Public contributions & donations	807	743	1 440	-	-	-	-	-
Borrowing	39 012	27 189	35 550	30 000	23 200	64 450	54 000	54 000
Internally generated funds	14 550	6 549	13 104	19 808	19 983	45 218	20 500	20 000
Total sources of capital funds	109 902	95 133	91 868	97 648	116 620	171 736	133 030	137 249
<b>Cash flows</b>								
Cash/cash equivalents at the year end	104 987	174 780	259 814	214 936	382 460	410 460	428 053	433 053

Source: 2018/19 MTREF Budget, Main Schedules A1 and A4

The Municipality has tabled operating deficit budgets for the MTREF period, which is caused mainly by non-cash items like debt impairment, depreciation and asset impairment. The operating deficit show a decreasing trajectory which is a positive indication that more revenue would be realised to build municipal reserves. Circular 55 states that over a medium term, a municipality should budget for a moderate surplus on its financial performance budget in order to contribute to the funding of capital budget.

Depreciation is a non-cash expenditure item, however the consumption of asset service potential (depreciation) and appropriate funding thereof should be considered.

## Risks and Recommendation



Depreciation seems to be partially cash-backed for the 2018/19 MTREF and cognisance are taken of GRAP 17 and affordability of the municipal bill however as a general recommendation, the municipality should consider long term integrated asset management assessment of financial needs and funding requirements over the long term as per the guidance of MFMA Circular No. 55.

The operating revenue increases by 3.8 per cent and the operating expenditure by 6.8 per cent which indicates in real terms that the revenue base decreases with limited scope to increase to increase tariffs beyond current levels. The Municipality indicated that the fluctuation is due to the allocation of housing grant between operating and capital budget however when the grant is excluded the revenue growth is still below inflation.

In addition, the increased cost of water and bulk electricity purchase and other infrastructure demands are placing upward pressure on tariffs and continuous increases thereof outside the parameters of inflation targets are not sustainable. Hence the Municipality needs to embed strategic intent to achieve the outcomes of the strategies as articulated in the approved long term financial plan in order to address financial imbalances, over the long term.

### 6.1.2 Review of the Budget Assumptions

#### Objective

The assessment is based on the budget assumptions as per page 63 of the budget document of the Municipality. The budget assumptions are reviewed for completeness, credibility and reasonableness as it forms the basis upon which the new MTREF is prepared.

**Table 5: Assessment Criteria**

No.	Description of the Budget Assumptions
1.	The forecasted CPIX is estimated at 5.3% for 2018/19, 5.4% for 2019/20 and 5.5% for the 2019/20 financial years.
2.	The 2018/19 budget was prepared on a projected revenue collection rate of 99% of annual billing. Cash flow is assumed to be 99.9% of billings from an increased collection of arrear debt which is in line with current collection rates.
3.	The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed: <ul style="list-style-type: none"> <li>- Property Rates = 6%.</li> <li>- Electricity = basic levy increases by 9% and consumption by 7.34% (with a free 50 kWh per month to indigent households only, to be taken from the Equitable share).</li> <li>- Water = Basic levy increase by 6% and the first consumption step (0 - 6 kl) 11.5%.</li> <li>- Refuse and Wastewater = 6%.</li> </ul>



No.	Description of the Budget Assumptions
4.	Cost containment measures were provided for in the budget documentation.
5.	Employment related costs for the entire MTREF period were budgeted at an annual increase of 8.11% (inclusive of annual notch increases). The Municipality projected an increase of 5.8% + average notch adjustment for 2018/19.
6.	Bulk electricity purchases are projected to increase by 7.32% in year 2018/19.
7.	The Municipality projected to achieve performance of 99% on the operational expenditure and 95% for capital expenditure.
8.	The municipal social package for free basic services are budgeted for 7 900 registered indigents consist of 6 kl of free water, 50 kWh of electricity, sewer services and weekly refuse removal.
9.	The external loans to be taken up to fund the capital budget over the MTREF period are R162 million excluding roll-over borrowing.

## Findings

The overall budget assumptions are credible, reasonable and aligned to National Treasury guidelines however the following needs to be considered with the finalisation of the annual budget for adoption:

- The Municipality further budgeted for a collection rate of 100 per cent for fines and interest earned – outstanding debtors which is not reasonable expected based on historic trends. For the 2016/17 financial year the Municipality impaired 71 per cent of fines which amount to a collection rate of 29 per cent and hence will result in an overstatement of the cash flow.

### 6.1.3 Adequacy of Revenue Management Framework

The operating revenue in aggregate shows an increase of 0.6 per cent for 2018/19, which indicates negative real growth after discounted with inflation. The Municipality indicated that the fluctuation in revenue is informed in main by the housing settlement grant between the operating and capital budget however if housing is excluded from the calculation then the revenue increase amounts to less than inflation, indicating the revenue base is shrinking in real terms. The most significant components of the operating revenue budget are service charges – electricity (34.7 per cent), property rates (22.3 per cent) and water services (11.19 per cent).

**Property rates** are the second highest component of the operating revenue budget and amount to 21.7 per cent on average over the MTREF. Property rates revenue are projected to increase by 9.4 per cent which are driven by tariff increase as the rate base is projected to increase in market value by R22,589 million from the current year (SA12a) to 2018/19 (SA12b) and the number of properties will remain unchanged for all categories of customers.

The Municipality is self-supporting with no significant reliance (10.1 per cent) on **grants and subsidies** to fund its daily operations.



Table 6: Cost reflectiveness of trading services

Description	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Revenue - Standard</b>									
<b>Trading services</b>	521 423	573 118	623 119	577 061	586 148	586 148	616 656	653 578	692 727
Electricity	287 754	324 599	338 454	331 240	339 270	339 270	365 721	387 620	410 845
Water	108 318	114 179	123 064	114 494	117 120	117 120	116 781	123 754	131 147
Waste water management	68 581	72 651	79 177	67 869	72 870	72 870	73 164	77 554	82 207
Waste management	56 770	61 689	66 215	55 108	56 888	56 888	60 990	64 649	68 528
<b>Expenditure - Standard</b>									
<b>Trading services</b>	453 715	434 352	471 097	518 289	522 902	522 902	560 317	593 888	625 649
Electricity	229 494	261 110	285 447	282 999	287 123	287 123	305 112	324 261	344 382
Water	71 697	67 325	65 931	104 872	105 055	105 055	109 996	116 316	119 828
Waste water management	57 717	57 091	63 101	73 606	72 822	72 822	78 529	83 497	87 320
Waste management	94 806	48 820	56 618	56 813	57 903	57 903	66 680	69 814	74 119
<b>Surplus/ (Deficit) on Main Service</b>									
<b>Trading services</b>	67 709	138 766	152 022	58 772	63 245	63 245	56 338	59 690	67 078
Electricity	58 260	63 489	70 007	50 250	52 147	52 147	60 609	63 360	66 463
Water	36 621	46 854	57 133	9 623	12 065	12 065	6 784	7 438	11 319
Waste water management	10 864	15 560	16 076	(5 736)	47	47	(5 365)	(5 943)	(5 113)
Waste management	(38 036)	12 863	9 597	(1 424)	(1 015)	(1 015)	(5 891)	(5 165)	(5 591)

Source: A4 Trading revenue (excl. grants) and A2: Trading Expenditure

The comparisons indicate that the two trading services generate a deficit, namely waste water and waste management over the 2018/19 MTREF, which may suggest that these tariffs might not be fully cost reflective after excluding grants. In aggregate the trading services are yielding a surplus of R56.34 million of which electricity is the main contributor indicating that the Municipality is heavily reliant on this revenue source and utilise it to cross-subsidise other services.

**Electricity** is the significant component of the operating revenue budget, amounting to 34.7 per cent, the revenue growth increased by 7.8 per cent. The tariff increase of 9 per cent by the Municipality on the basic charge is above the NERSA guidelines which is subject to approval. The reason cited by the Municipality; to mitigate the disparity between fixed and variable cost is noted. Green energy utilisation by energy intensive industries, price pressure on demand for households and above inflation increases on bulk purchases is a key risk in the current economic climate. The Municipality is hereby commended for keeping the electricity losses below the national norm at 5 per cent over the past two financial years.

**Water** revenue amounts to R116.78 million and constitute 11.1 per cent of the total revenue and the surplus margins amount to 6.8 per cent on average over the MTREF. The Municipality is hereby commended for investing in previous years into water



sources and infrastructure investment which ensure sustainability during the prevailing drought conditions. However, the Water Service Development Plan (WSDP: 2017 - 2022) of the Municipality indicates that approximately 49 per cent of the water infrastructure assets is 16 years and older which could result in an increased capital outlay for supply side water infrastructure over the medium to long term. The Municipality indicated rolling out a three-year project (R30 million over the MTREF period) to address this risk.

According to the 2016/17 Auditor-General Report, the water service impairment constitutes 20.1 per cent (2016: 19.7 per cent) of the total receivables impairment from exchange transactions amounting R20.59 million (2016: R19.10 million). The Non-technical water losses amount to 19.1 per cent (2016: 20 per cent) which was within the national norm as per MFMA Circular No. 71. Reasons for the water losses can include aging pipeline infrastructure, old reticulation networks, burst pipes and other leakages. Hence it is important for the Municipality to ring-fence a portion of the surpluses for future expansion or renewing of aging infrastructure.

#### **6.1.4 Adequacy of Expenditure Management Framework**

The Operating expenditure in aggregate increased by 6.8 per cent. Employee related costs (32.2 per cent), bulk purchases (20.7 per cent) and contracted service (17.4 per cent) are the main expenditure drivers for the 2018/19 MTREF.

**The employee related costs** on average constitute 32.0 per cent of the total operating expenditure budget over the 2018/19 MTREF and a growth rate of 10 per cent is projected. The measurement is within the national norm of between 25 - 40 per cent. In view of the current revenue projections and economic outlook, the Municipality is hereby encouraged to manage effectively the human resource requirements to deliver on its mandate by prioritising only critical vacancies, avoid excessive overtime and optimising existing staff complement by limiting use of consultants.

**Contracted Services** constitute 17.4 per cent of the total expenditure which is well above the recommend national threshold of 5 per cent. The main contributions towards contracted services are sewerage services (R47.97 million), maintenance of unspecified assets (R40.04 million), infrastructure and planning (R13.41 million) and Maintenance of Buildings and facilities (R12.20 million).



Against the backdrop of employee related cost being the main cost driver, as a general recommendation depending on the service delivery model that the Municipality weigh the cost benefit of building capacity in-house versus the increasing budget allocation to the outsourcing of certain functions to contractors, when reviewing the employee strategy in the long term financial plan.

**Depreciation and asset impairment** is projected to increase by 0.1 per cent or R75 000 for 2018/19 budget, although the Municipality is expanding its infrastructure over the MTREF as per Schedule A9. The depreciation constitutes an average of 10.8 per cent the total operating expenditure budget. It recommended that the Municipality review the calculation methodology of depreciation and ensure it is based on an updated asset register and cognisance be taken of current work-in-progress capital that will be commissioned and planned capital expenditure. The Municipality has indicated that due to the GTAC MUNICIPAL FINANCE IMPROVEMENT PROGRAMME PHASE II (2016) at Overstrand Municipality, with de-componentisation being more accurate than before, the depreciation annual charge increased accordingly and that this implementation has already been audited.

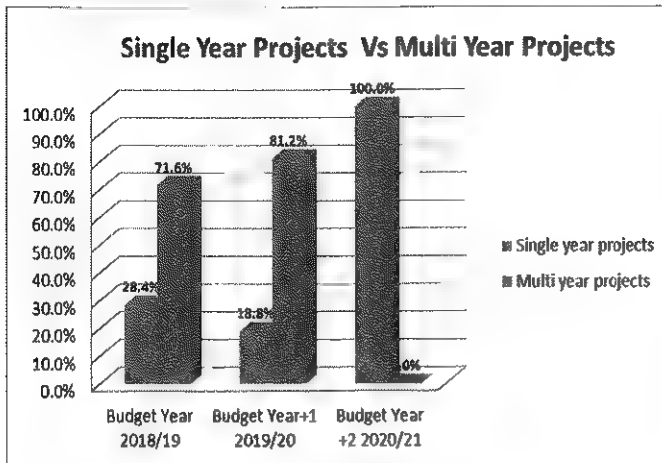
**Bulk purchases** amount to R232.29 million which constitutes 20.7 per cent of the total operating expenditure budget of which it is informed by electricity purchases from Eskom. The year-on-year increase is 7.3 per cent and the upward pressure is driven by resource scarcity and the deterioration in finances of state-owned entities.

**Repairs and maintenance** amount on average to 6.8 per cent of property, plant and equipment which is below the national norm of 8 per cent however the Municipality is gradually moving towards the norm which is encouraging. As per the guidance of MFMA Circular No. 55 when the municipal is below the norm they are required to provide detailed explanation and assurance that budgeted amount is adequate to secure the ongoing health of the Municipality's infrastructure supported by its assets management plan.

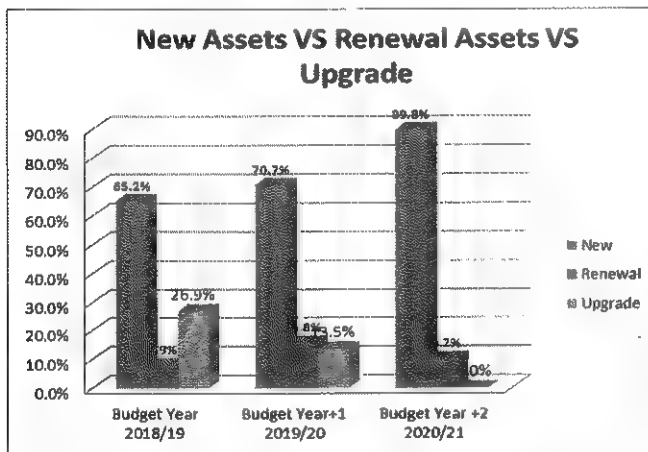
In view of the above inflationary increase of operating expenditure and current economic conditions, Provincial Treasury recommends that the Municipality develop a cost containment policy which aligns to the draft regulations which will ensure value for money, curbing non-essential activities and wastages.



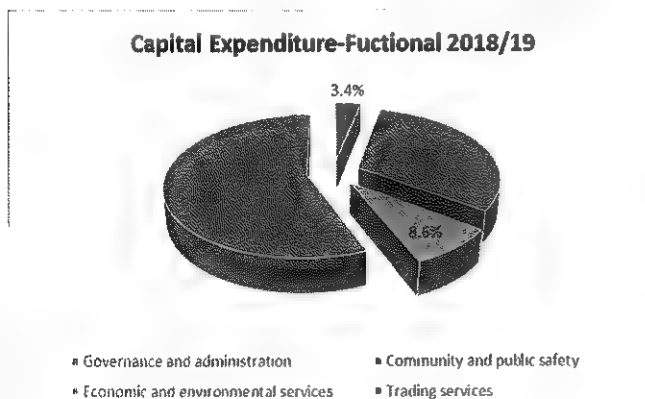
### 6.1.5 Adequacy of Capital Budget



The 2018/19 capital budget indicates that the Municipality incorporate section 16(3) of the MFMA into the budgeting process, as the Municipality allocated 71.6 per cent of capital budget allocation for multiyear projects for 2018/19. Which improved in the outer year of the MTREF, the exception being year 2020/21. The Municipality is encouraged to maintain the appropriation of large capital budgets for three financial years, thus enabling municipality to improve on their planning and initiate procurement processes earlier for capital projects.



The allocated budget to secure the on-going health of the Municipality's existing infrastructure is low and the Municipality intends to use R13.55 million (7.9 per cent) and R46.428 million (26.9 per cent) of the total capital budget for the renewal and upgrade of existing assets respectively, which is below the national guideline of 40 per cent as per MFMA Circular No. 55.



The Municipality allocated 56.3 per cent of the capital budget towards trading services which is revenue generating assets. For the MTREF period, the Municipality allocated an average allocation of 55.5 per cent, which bodes well in terms of increasing the revenue base of the Municipality.



For the current financial year up to the period ending February 2018, the capital spending amounts to 29.3 per cent of the adjustment budget which like the previous year's trends, spikes during the last quarter of the financial year. For 2016/17 budget year, the Municipality improved on its capital spending by fully spending the capital budget. In view of current spending the Municipality is encouraged to begin its procurement processes before the start of the financial year to mitigate the risk of delays in the implementation of the capital budget and should continuously monitor the implementation of strategies addressing the management of the capital budget.

### Capital Funding

**Capital grants** amounts to an average of 42.1 per cent for 2018/19 MTREF capital budget, indicating a dependency on capital grants and subsidies. The Municipality fully spent the budgeted grants for 2016/17 and for the current year spent 34.9 per cent of its conditional capital grants as at the end of February 2018. The Municipality is cautioned against a slow spending rate as it will result in retention or withholding of grants should they not be fully spent by the end of the financial year. The high reliance on capital grants is a concern; fiscal constraints will persist over the MTREF due to the prevailing economic environment.

The Municipality intends to take up external **borrowings** of R54 million (total borrowings of R64.45 million inclusive of roll-over borrowings), which is 36.1 per cent of the capital budget funding for 2018/19 and R54 million for each of outer years. The gearing ratio (total borrowing over total operating revenue excluding capital grants) amounts to 44.3 per cent for the 2018/19 financial year which is less than the 45 per cent norm as prescribed by National Treasury in Circular 71 and a decreasing trajectory over the MTREF.

Capital spending funded from **internally generated funds** amounts to R85.72 million over the MTREF and the Municipality indicated part thereof is proceeds from a recent land sale. The Municipality are therefore recommended to continuously monitor the realisation of this revenue source against planned spending in-year in view of current economic condition especially the proceeds from land sales.

The Municipality are therefore urged when annually reviewing its existing long term financial plan to optimise the use of external funding versus utilisation of internally generated funding given the severity of the drought, ageing infrastructure and future developments that will require a high capital outlay to absorb the related infrastructure pressures which has a concomitant effect on the municipal bill.



### 6.1.6 Core Systems for Municipal Infrastructure Delivery

A 2002 study by Government on the delivery of infrastructure identified a shortfall in effective and systematic delivery systems as well as a skills deficit as impediments to effective delivery, hence the establishment of the Infrastructure Delivery Improvement Programme (IDIP) in 2004. It was within this Programme that the concept of an Infrastructure Delivery Management System (IDMS) was established and informed by the answers to questions posed to projects, namely: Is it suitable, is it feasible, is it credible, does it deliver value for money and does it add to public value? In 2010 the IDIP Toolkit was released, providing a documented body of knowledge and set of processes, representing good practices in the delivery management of infrastructure.

A number of developments have taken place since the publication of the 2010 Toolkit, namely:

- A Medium Term Expenditure Framework (MTEF): Budgeting for infrastructure and capital planning guidelines (2010);
- A Model Supply Chain Management (SCM) Policy for Infrastructure Procurement and Delivery Management in terms of section 168 of the Municipal Finance Management Act of 2003 (Act 56 of 2003) (MFMA) during November 2015 in support of the MFMA SCM Regulation 3(2);
- MFMA Circular No. 80: Municipal Financial Systems and Processes requirements in support of the Municipal Standard Chart of Accounts (mSCOA) issued in terms of the Municipal Finance Management Act No. 56 of 2003;
- The publication of several South African national standards by the South African Bureau of Standards covering areas such as construction procurement, project management, maintenance and asset management; and
- The development of a Cities IDMS aimed at metropolitan councils. The IDMS is designed to be linked to multi-year budgeting with a strong focus on outcomes, value for money and the effective and efficient functioning of the entire value chain of infrastructure delivery.



Provincial Treasury would like to do assessments on the implementation of the National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM) on a few selected municipalities to get an understanding of the progress made in this regard, any challenges experienced, etc. The intention with these assessments is to provide feedback to National Treasury as well as to get an understanding of the kind of assistance that might be required by municipalities to comply with the SIPDM. It will be appreciated if municipalities could indicate their willingness to be assessed.

## **6.2 ESTABLISH THE LEVEL OF FUNDING THE BUDGET**

### **6.2.1 Table A4 – Surplus/Deficit**

#### **Purpose**

The purpose of this measure is to assess the overall credibility of the budget in terms of surplus/deficit. Based on a comparison between the A4 (Financial Performance) and the A7 (Cash Flow Statement) (supporting Schedule SA30) the Municipality reported a surplus over the MTREF period. The A4 (Financial Performance) indicated surplus of R15.66 million (2018/19), R7.23 million (2019/20) and R37.82 million (2020/21) whereas the A7 (Budgeted Cash Flow) indicated a surplus of R410.46 million (2018/19), R428.05 million (2019/20) million and R433.05 million (2020/21).

### **6.2.2 Table A6 – Financial Position**

#### **Purpose**

To undertake an assessment of the overall credibility of the budget funding (Table A6) and to establish the working capital requirements.

The cash of the Municipality is increasing over the MTREF period. The financial position of the Municipality as per the A6 indicated that the Municipality is budgeting for liquidity ratios (Cash/Current Liabilities) of 1.90:1 (2018/19), 1.93:1 (2019/20) and 2.09:1 (2020/21), indicating the liquidity levels of the Municipality is increasing.

The current ratio is also increasing from 2.57:1 (2018/19), 2.64:1 (2019/20) to 2.90:1 (2020/21) and the Debtors of the Municipality are increasing over the MTREF. The current liabilities of the Municipality are also increasing from R215.15 million, R221.28 million and R207.02 million over the MTREF period.

The cash of the Municipality is increasing and it is noted that the Municipality has sufficient working capital available over the MTREF period to cover its short term financial obligations.



### 6.2.3 Table A7 – Cash Flow

#### Purpose

- To undertake an assessment of the overall credibility of the budget funding (Table A7) and of the projected cash and cash equivalents over the MTREF.
- To assess funding of the budget in terms of sections 18 and 19 of the Municipal Finance Management Act.

The A7 Budgeted Cash Flow and the SA30 Supporting Table to the Budgeted Cash Flow Reconciles. When comparing the SA30 and the A4-Schedules, the Municipality indicated that the Municipality will be collecting 99 per cent of its budgeted service charges.

### 6.2.4 Table A8 – Application of Cash and Investments

**Purpose** - To assess the Municipality's application of available cash and investments

The analysis of the A8 (Application of Cash and Investments) indicate that the Municipality has tabled a funded budget as the Municipality is reporting surpluses of R447.26 million (2018/19), R480.30 million (2019/20) and R513.94 million (2020/21). The Reserves to be cash-backed amounts of R3.30 (2018/19) million, R3.34 million (2019/20) and R3.35 million (2020/21) is compared to the depreciation and asset impairment amounts of R130.36 million (2018/19), R128.87 million (2019/20) and R127.89 million respectively in order to ascertain whether the Municipality is making budgetary provisions for the replacement of the assets.

**Table 7: Application of cash and investments**

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework					
		Actual Outcome	Actual Outcome	Actual Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	PT Reconciliation of 2018/19	Budget Year +1 2019/20	PT Reconciliation of 2019/20	Budget Year +2 2020/21	PT Reconciliation of 2020/21
<b>Cash and investments available</b>													
Cash/cash equivalents at the year end	1	104 987	174 780	259 814	214 936	382 460	382 460	410 460	410 460	428 053	428 053	433 053	433 053
Other current investments > 90 days		-	-	-	-	-	-	(0)	(0)	(0)	(0)	0	0
Non current assets - Investments	1	23 149	29 740	37 982	43 422	43 422	43 422	50 546	50 546	57 885	57 885	65 460	65 460
<b>Cash and investments available:</b>		<b>128 136</b>	<b>204 521</b>	<b>297 796</b>	<b>258 358</b>	<b>425 881</b>	<b>425 881</b>	<b>461 006</b>	<b>461 006</b>	<b>485 938</b>	<b>485 938</b>	<b>498 513</b>	<b>498 513</b>
<b>Application of cash and investments</b>													
Unspent conditional transfers		2 076	1 380	6 476	-	-	-	-	-	-	-	-	-
Unspent borrowing		2 800	-	-	-	10 450	10 450	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(39 810)	(32 015)	(24 811)	(46 872)	(46 710)	(46 710)	(40 110)	-	(55 596)	-	(84 243)	-
Other provisions		-	-	-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	23 149	29 740	37 982	43 422	43 422	43 422	50 546	50 546	57 885	57 885	65 460	65 460
Reserves to be backed by cash/investments	5	2 571	2 177	3 251	2 440	2 440	2 440	3 300	3 300	3 340	3 340	3 350	3 350
<b>Total Application of cash and investments:</b>		<b>(9 214)</b>	<b>1 281</b>	<b>22 898</b>	<b>(1 010)</b>	<b>9 662</b>	<b>9 662</b>	<b>13 737</b>	<b>53 846</b>	<b>5 630</b>	<b>61 225</b>	<b>(15 433)</b>	<b>68 810</b>
<b>Surplus(shortfall)</b>		<b>137 349</b>	<b>203 239</b>	<b>274 898</b>	<b>259 368</b>	<b>416 219</b>	<b>416 219</b>	<b>447 269</b>	<b>407 160</b>	<b>480 309</b>	<b>424 713</b>	<b>513 946</b>	<b>429 703</b>

Source: Overstrand Municipality 2018/19 MTREF Tabled Budget



The table depicts a positive balance over the MTREF however the Municipality did not provide for the following application of funds:

- Short term portion of provisions e.g. employee benefits;
- Provision for rehabilitation of landfill site; and

The Municipality needs to adjust the cash flow of fines as the 100 per cent collection rate will overstate the cash position of the Municipality.

## Funding Measurement

**Table 8: Schedule SA10: Funding Measurement**

Description	MFMA section	RM	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	104 987	174 780	258 814	214 936	382 460	382 460	-	410 460	428 053	433 053
Cash + investments at the yr end less applications - R'000	18(1)b	2	137 349	203 239	274 898	259 368	416 279	416 279	-	447 269	480 309	513 946
Cash year end/monthly employee/supplier payments	18(1)b	3	1,6	2,7	3,5	2,9	5,1	5,1	-	5,1	4,9	4,8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(64 044)	53 616	39 114	3 256	68 885	68 885	-	15 667	7 237	37 829
Service charge rev % change - macro CPK target exclusive	18(1)a(2)	5	N.A.	3,4%	5,4%	(9,8%)	(4,7%)	(6,0%)	(106,0%)	0,3%	(0,0%)	(0,0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	99,1%	99,0%	99,1%	98,5%	98,4%	98,4%	0,0%	99,3%	98,4%	98,7%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	1,1%	1,9%	2,7%	2,9%	2,8%	2,8%	0,0%	2,7%	2,5%	2,4%
Capital payments % of capital expenditure	18(1)c, 19	8	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	0,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	73,8%	87,0%	59,9%	60,2%	69,5%	69,5%	0,0%	49,2%	72,5%	73,0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								100,1%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(0,6%)	2,4%	14,6%	0,0%	0,0%	(100,0%)	4,5%	10,4%	7,4%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(24,6%)	(33,8%)	(24,5%)	0,0%	0,0%	(100,0%)	(49,1%)	(64,4%)	(84,7%)
R&M % of Property Plant & Equipment	20(1)(vii)	13	4,4%	3,1%	3,4%	4,9%	5,5%	5,5%	0,0%	6,2%	6,7%	7,1%
Asset renewal % of capital budget	20(1)(vii)	14	29,8%	16,7%	37,5%	11,6%	6,6%	6,6%	0,0%	7,9%	15,8%	10,2%

Source: Annual Budget Schedule SA10

## Findings

### (1) Cash and Cash equivalents

A positive cash and cash equivalents has been reflected for each year over the medium term.

### (2) Cash plus investments less application of funds

The cash less applications is positive over the 2018/19 MTREF period.





**(3) Cash at year end/monthly employee supplier payments**

The cash at year end versus employee and supplier payments is decreasing from 5 times in 2018/19 to 4.8 times in 2020/21. The purpose of this ratio is to measure if the Municipality is able to meet its monthly payments when they fall due or an unexpected disaster threatens revenue collection. The ratio indicates that the Municipality will be able to be going concern for 5 months.

**(4) Surplus/(Deficit) excluding depreciation offsets**

The Municipality projected a surplus across the 2018/19 budget period.

**(5) Capital payments % of capital expenditure**

This ratio assessed the extent to which budgeted capital expenditure will be spent during the budget year and the Municipality project a 100 per cent spending rate.

**(6) Borrowing as a % of capital expenditure (less transfers, grants and contributions)**

This indicates the Overstrand Municipality's reliance on borrowing; the Municipality has indicated in the budget documentation that external borrowings will be taken up over the MTREF.

**6.3 CREDIBILITY AND SUSTAINABILITY: MAIN POINTS AND RISKS/FINDINGS**

The tabled municipal Budget is credible, sustainable and funded however the following should be considered with the finalisation of the final budget for adoption:

- The increased cost of water and bulk electricity purchase and other infrastructure demands are placing upward pressure on tariffs and continuous increases outside the parameters of inflation targets are not sustainable. The financial outlook is further exacerbated by the fiscal constraints that will be persist over the MTREF. Hence the Municipality is encouraged to consider the following:
  - Driving efficiencies and innovation;
  - Reduce non-core expenditure;
  - Taking a long-term approach for infrastructure investments and revenue forecasting taking into consideration demand and future development;
  - Tariff setting that strikes a balance between social justice and sustainability;



- Emphasis on water conservation, curbing of water losses, demand management and meter reading; and
- Effective indigent management.
- Repairs and maintenance as a percentage of the asset value of property plant and equipment is below the 8 per cent as recommended by National Treasury. The Municipality are encouraged to implement a formal risk-based maintenance plan in order to identify and prevent repeat or systemic failures.
- The Municipality needs to adjust the cash flow of fines as the 100 per cent collection rate will overstate the cash position of the Municipality.
- In view of the current economic outlook, escalation of tariffs, infrastructure demands and fiscal constraints to persist over the MTREF the Municipality should closely monitor the affordability and sustainability of the internally generated funds.

**The following with respect to cash management has been noted:**

- The Municipality is meeting its financial obligations.
- The debt to total operating revenue ratios are 44 per cent (2018/19), 43 per cent (2019/20) and reduces to 41 per cent (2020/21) based on the loans closing balances of R423.67 million (2018/19), R436.04 million (2019/20) and R443.71 million respectively and is within the National Treasury norm range.
- The draft budget over the MTREF period indicates that the Municipality is not exposed to a liquidity risk.



## SECTION 7: KEY FINDINGS, RISKS AND RECOMMENDATIONS

This section outlines the main points and risks/recommendations based on the LG MTEC Assessment.

### INTEGRATED PLANNING

Cognisance should be taken with regards to the high percentage of households that fall within the low-income bracket (52.7 per cent). This would impact on the increased poverty headcount, as well as safety and security concerns and would also place an increased burden on the Municipality's long term financial sustainability.

Since the population size is growing at a faster rate than the economy, it poses a threat to the Municipality. This will impact on the need for education and social related services in Overstrand, and would also influence the service backlog.

Population growth in the Overstrand Municipal area will place increasing demands on the infrastructure and available space for urban growth. The increased urban footprint in the Municipal area needs careful management if it is not to impact negatively on the natural environment of Overstrand.

### Recommendations

- The Municipality should include, at community or ward level, the communities that do not have access to basic services, in future reviews of the 2017 - 2022 IDP.
- The Municipality should link its priority risk reduction projects to its budget to ensure that they are delivered on.
- The Municipality should include a budget allocation, as a contingency, to contribute towards the reconstruction and rehabilitation of damaged infrastructure (flood and storm damage, as well as water supply in response to the drought).
  - The Municipality has indicated that it has an Insurance Reserve which is set aside to offset potential losses or claims that cannot be insured externally.
- The Municipality should include an approved organogram, as well as updated vacancy rates, in their Adopted 2018/19 Reviewed IDP.
- The Municipality should reflect reliable numbers or statistics on the number of backyard dwellers within the Municipality to assist in planning for future housing projects.



## ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

- It is recommended that the Municipality develops and tables an Alien Invasive Management Plan in terms of the provision of National Environmental Management: Biodiversity Act.
- It is recommended that the Municipality during their next review incorporate the WC Biodiversity Spatial Plan (2017) as the latest most accurate biodiversity informant in the Spatial Development Framework/ Environmental Management Framework.
- The Municipality is urged to expand its current regional waste disposal facility at Karwyderskraal to accommodate for disposal and utilise airspace. The maintenance and protection against vandalism of current infrastructure needs to be implemented.
- It is imperative that the Municipal Manager formally submit to the DEA&DP the name of an official in the Municipality who will be responsible for this Section 30, 'Control of Incidents' function.

## BUDGET RESPONSIVENESS

- Increased economic hardship at national level is expected to impact on poorer households and their ability to afford quality services. The burden will in turn be passed to local municipalities who must strain their revenue streams to extend services to indigents.
- Water sustainability is crucial for long term planning.
- Information in Table SA9 must be completed in full. The reported backlogs for housing need to be reconciled between the Annual Report and that reported in the Budget (SA9).
- Overall, the Municipality has performed in terms of service delivery well as no backlogs is reported for water, refuse, sanitation and electricity.

## CREDIBILITY AND SUSTAINABILITY OF THE BUDGET

The tabled municipal Budget is credible, sustainable and funded however the following should be considered with the finalisation of the final budget for adoption:

The increased cost of water and bulk electricity purchases as well as other infrastructure demands are placing upward pressure on tariffs; continuous increases outside the parameters of inflation targets are not sustainable.



The financial outlook is further exacerbated by the fiscal constraints that will be persist over the MTREF. The Municipality is encouraged to consider the following:

- Driving efficiencies and innovation;
- Reduce non-core expenditure;
- Taking a long-term approach for infrastructure investments and revenue forecasting taking into consideration demand and future development;
- Tariff setting that strikes a balance between social justice and sustainability;
- Emphasis on water conservation, curbing of water losses, demand management and meter reading; and
- Effective indigent management.

Repairs and maintenance as a percentage of the asset value of property plant and equipment is below the 8 per cent as recommended by National Treasury. The Municipality are encouraged to implement a formal risk-based maintenance plan in order to identify and prevent repeat or systemic failures.

Operating expenditure outstrips the growth revenue and current economic conditions, Provincial Treasury hereby recommend that the Municipality develop a cost containment policy which align to the draft regulations which will ensure value for money, curbing non-essential activities and wastages.

The Municipality needs to adjust the cash flow of fines as the 100 per cent collection rate will overstate the cash position of the Municipality.

In view of the current economic outlook, escalation of tariffs, infrastructure demands and fiscal constraints to persist over the MTREF the Municipality should closely monitor the affordability and sustainability of the internally generated funds and as a prudent financial practice ring-fenced proceeds from land sales in a capital replacement reserves to invest in revenue generating assets.

**The following with respect to cash management has been noted:**

- The Municipality is meeting its financial obligations.
- The debt to total operating revenue ratios are 44 per cent (2018/19), 43 per cent (2019/20) and reduces to 41 per cent (2020/21) based on the loans closing balances of R423.67 million (2018/19), R436.04 million (2019/20) and R443.71 million respectively and is within the National Treasury norm range.



- It is noted that the Municipality is not cash backing the capital replacement reserve which is utilised for the replacement of assets.
- The draft budget over the MTREF period indicates that the Municipality is not exposed to a liquidity risk.



QUALITY PEOPLE • QUALITY PLACES • QUALITY QUALITY

OVERSTRAND



# Integrated Municipal Engagement: LGMTEC 2018

## Overstrand Municipality 02 May 2018



# 1. Impact of the New Dawn

## Financial sustainability

### Risks - Affordability of municipal services

**Remedies** - Monthly monitoring of collection rate. Monthly monitoring of number of indigent households. Dedicated revenue and debt collection department. Tariffs aligned to the cost of services. Periodic assurance on revenue processes and community consultation.

**Challenges with achieving "fit for purpose" structures** - Organisational structure reviews ongoing

### Service delivery performance

**Performance failures** - No service delivery backlogs exists for the provision of water (excluding farms in rural areas), refuse and sanitation services.

### Funding challenges

**Demonstrate financial impact of the issues referred to above** - A growing population and unemployment can pose a financial risk, while it is imperative that tariffs for services still need to remain affordable amid rising costs of delivering services. Operational efficiencies need to be maintained. Diminished MIG funding will have an impact on infrastructure expansion as this will have to be absorbed by own capital funding.



We belong



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## 2. Planning



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# 2017 - 2022 Integrated Development Plan



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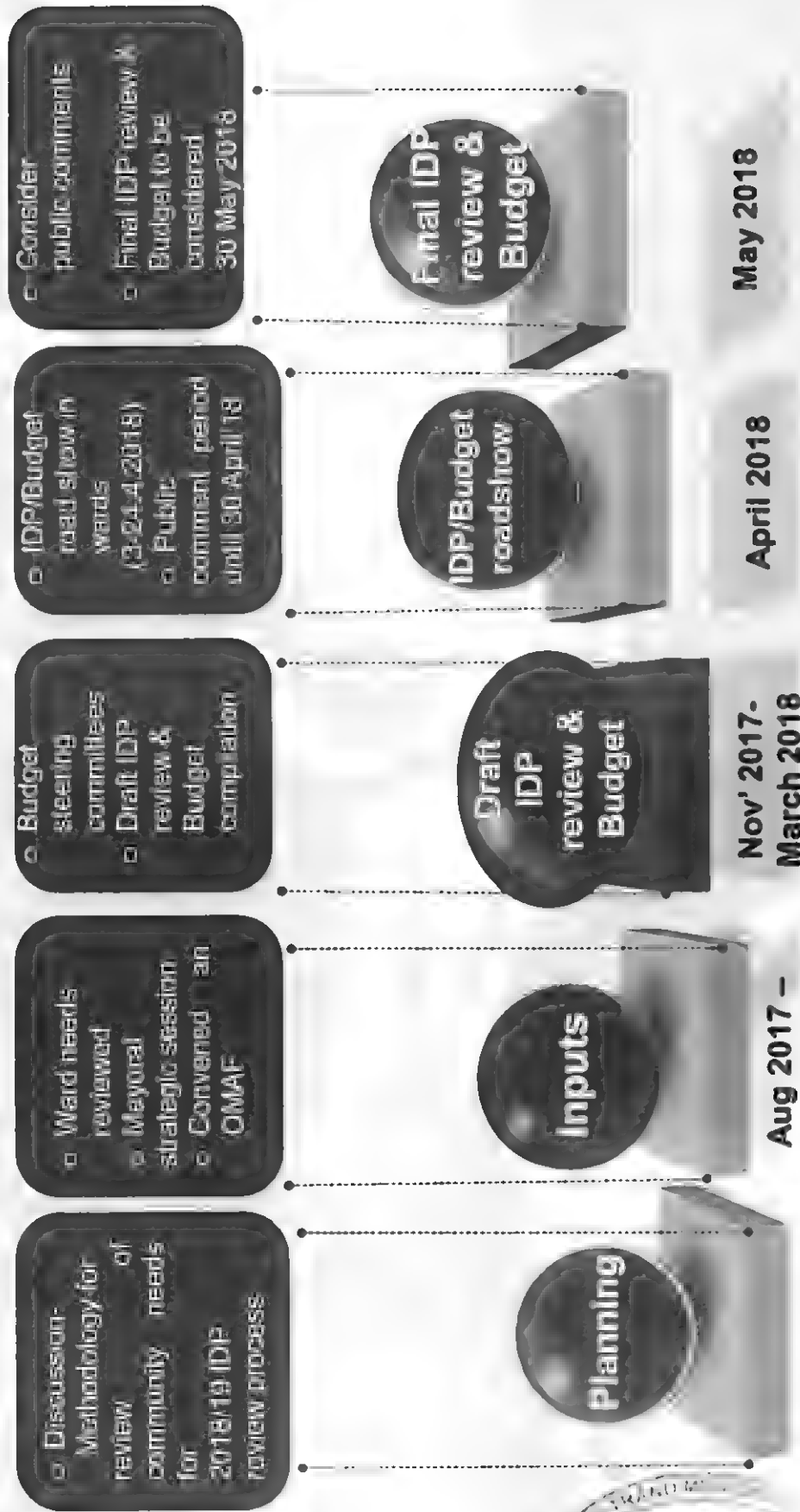


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# Key deliverables- Overstrand IDP review /Budget process 2018/19



## IDP Process

The 2018/19 IDP review and Budget process was executed according to the Council approved time-schedule of 30 August 2017.

Strategic direction of Council remains **unchanged** for the IDP review.

Key stages – Internal & external review of priorities by the Administration and Ward committees.

Convened an OMAF on 20 Feb 2018, presented draft strategic priorities for the IDP review and preliminary budget proposals for 2018/19.

Reviewed priorities fed into the Budget process for consideration.

26 April 2018 – public consultation meetings – presented feedback on the ward priorities that could be funded in the Draft Budget and also presented overview of the Draft Budget (including proposed tariffs).



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# IDP Process

## Challenges

Zwelihle unrest in March, April draft IDP review/ draft Budget meetings in Zwelihle wards postponed.

Development needs exceeds the available funding.

Increased population growth and indigents, pressure on financial resources to maintain and development infrastructure.



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# Integrated Development Planning

Review and proposed implications for the five-year spatial planning and development cycle as previously presented; and follow-up on progress since then. It is expected that the Municipality's five-year plan is derived from its longer term Growth and Development Plan.

The municipality's Integrated Development Planning (IDP) is aligned with our master planning. Refer to Chapter 8 in draft IDP review.

A review of the Spatial Development Framework (SDF) will be initiated in 2018/19 (multi-year project) (2018/19 – 2019/20).

The outcome of the planned SDF review will feed into the 2020/21 IDP review.



# Integrated Development Planning

*The Municipality should include, at community or ward level, the communities that do not have access to basic services, in future reviews of the 2017 - 2022 IDP.*

*Access to basic municipal services stated on page 57 in draft IDP review (2018/19).  
Basic services in place, with the exception of on farms.*

*The Municipality should link its priority risk reduction projects to the budget.*

*Fire and Disaster Management updated and review their risk register with our Risk Department, we identified our challenges and shortcomings and the need for budget to ensure that we meet our objectives. Budget was requested for operational Disaster Management but due to constraints was not approved.*



# Integrated Development Planning

The Municipality should reflect on major roads projects planned by the Provincial Department over the short to medium term in the Adopted 2018/19 Reviewed IDP.

The key construction and maintenance projects that will continue from the 2016/17 and 2017/18 financial years are:

Hanglip DM Gravel Roads  
Overberg DM Regravel Gravel Roads  
Overberg DM Reseal  
Maintenance Overberg DM - Routine Maintenance

New key projects that will commence in the 2018/19 and 2019/20 financial years are:  
Hermanus-Gansbaai Blacktop Tar Roads (Provincial Roads Maintenance Grant Funding)

Hermanus-Gansbaai Blacktop/Tarred Roads (Equitable Share Funding)  
Caledon-Sandbaai Blacktop/Tarred Roads  
Janford-Riviersonderend reseal



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# Integrated Development Planning

The Municipality should include the percentage budget allocation, as a contingency, to contribute towards the reconstruction and rehabilitation of damaged infrastructure (flood and storm damage, as well as water supply response to drought).

R 11 million is included in the MTREF for augmentation of the well fields in Hermanus, to improve water security and to enhance diversification of water sources. This is approximately 10% of the Water MTREF. The feasibility of other long term options (waste water re-use, seawater desalination) will be investigated during the MTREF.

The Municipality should include an approved organogram, as well as updated vacancy rates, in their Adopted 2018/19 Reviewed IDP.

Noted, will include in Final IDP review of 30 May 2018. Total posts at end March 2018 were 1123 of which 1037 were filled and 86 vacancies.

The Municipality should reflect reliable numbers or statistics on the number of backyard dwellers within the Municipality to assist in planning for future housing projects.

A survey on the backyard dwellers in the Overstrand area was conducted between 20 May 2013 to 28 June 2013. Total households : 5051.



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# Finalisation of IDP

Where possible the recommendations cited on pages 13, 14 and 18 will be incorporated in the Final IDP review for 2018/19.

Final IDP review for 2018/19 to serve before Council on 30 May 2018.



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# Planning & Environmental Management Issues



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# Environmental and Development Planning analysis

The SDF to align with relevant National and Provincial Legislation and policy plans, e.g.:

- a) The National Development Plan (2011);
- b) National Spatial Biodiversity Assessment (2011);
- c) National Freshwater Ecosystem Priority Areas (2011);
- d) OneCape 2040;
- e) The Western Cape Provincial Spatial Development Framework (2014), as well as supporting studies including:
  - ☐ The Growth Potential of Towns Study of Towns (2014);
  - ☐ The Municipal Financial Sustainability of Current Spatial Growth Patterns (2014);
  - ☐ Heritage and Scenic Resources: Inventory and Policy Framework for the Western Cape (2014); and
  - ☐ The Impact of Commercial & Office Decentralisation Study (2014);
- f) Draft Western Cape Biodiversity Framework (2010);
- g) Western Cape Provincial Land Transport Framework (2013);
- h) Western Cape Infrastructure Framework (2013);
- i) Coastal setback lines project for Overberg District;
- j) SDF, including relevant approved sectoral plans.



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# Environmental and Development Management

*It is recommended that the Municipality develops and tables an Alien Invasive Management Plan in terms of the provision of NEM: BA.*

The Municipality is currently drafting an Alien Invasive management Plan for the entire Overstrand. The final field verification work will be completed in June 2018.

*It is recommended that the Municipality during their next review incorporate the WC Biodiversity Spatial Plan (2017) as the latest most accurate biodiversity informant in the SDF/EMF.*

The WC Biodiversity Spatial Plan (2017) will be incorporated in the 2018/2019 SDF, but the Overstrand's Environmental Management Overlay has more localised and correct data that speaks to the Overstrand's Local Biodiversity.

*Additionally, the Overberg District Coastal Management Lines need to be amended to the 1:50 year risk line as the impact of erosion is already apparent along the current draft Coastal Management Line, which is based on the 1:20 year risk line.*

The Overberg CML has three risk lines included in the document which includes the 1:20; 1:50 and 1:100 risk line and is therefore already updated. This line is incorrect.



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# Environmental and Development Management

*It is imperative that the Municipal Manager formally submit to the DEA&DP the name of the official in the Municipality who will be responsible for the (Section 30), 'Control of Incidents' function.*

This will be formally communicated.

The Municipality is urged to expand their current regional waste disposal facility at Karwyderskraal to accommodate for disposal and utilise airspace. The maintenance and protection against vandalism of current infrastructure needs to be implemented.

The Karwyderskraal Landfill site is a regional landfill of the Overberg District Municipality (ODM). Overstrand only constructed cell 3 as an emergency measure, and will operate it until the end of its lifespan. ODM will construct and operate cell 4. Planning by ODM and negotiations between role players are ongoing.



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# Finalisation of Planning and Environmental Management Frameworks

The review of the 2006 Overstrand Spatial Development Framework is subject to the appointment of a service provider.

The review will be conducted during the 2018/2019 financial year, for adoption together with the 2019/2020 IDP and Budget.



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### 3. Fiscal Responsibility



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# 2018/19 MTREF Budget

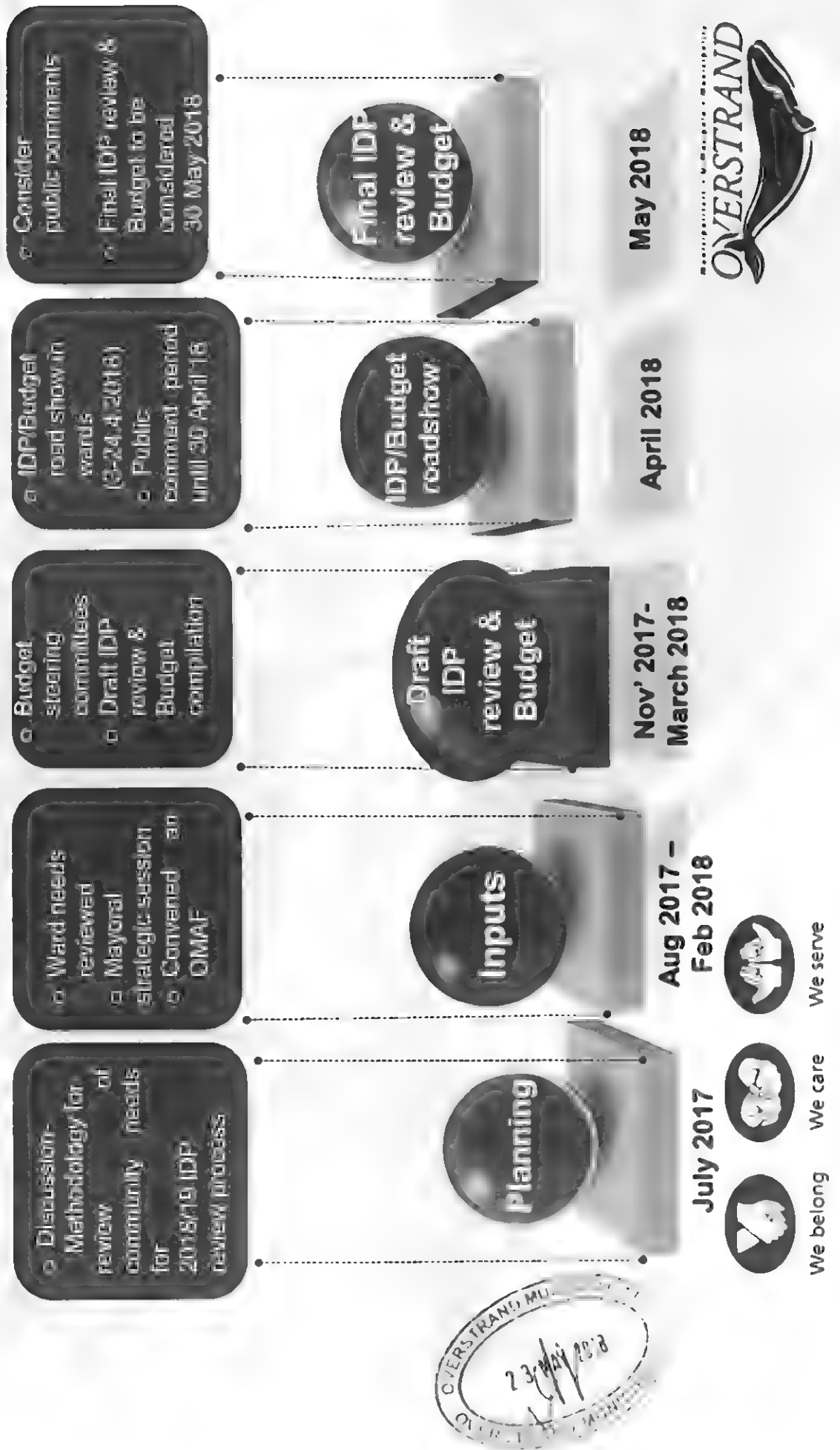


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# Key deliverables- Overstrand IDP review /Budget process 2018/19



## Budget Assumptions/Parameters

The on-going difficulties in the national and local economy;

Ever aging water, roads, sewage and electricity infrastructure;

Sustainable refuse disposal;

The need to reprioritise projects and expenditure within the existing resource envelope;

The cost of bulk electricity;

Revenue recovery from cost reflective core municipal services;

Wage increases for municipal staff that have exceeded headline consumer inflation in the past, as well as the need to restructure certain components for operational efficiencies;

Affordability of capital projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2018/19 MTREF process; and

Maintaining a positive cash flow.



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# Budget Responsiveness: Strategic Objectives & Budget Priorities

The bulk of the 2018/19 combined budget spending relates to the provision and maintenance of municipal services (50 per cent), the provision of democratic, accountable and ethical governance and the encouragement of structured community participation (20 per cent), the promotion of tourism, economic and social development (18 per cent) and a safe and healthy environment (13 per cent).



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# Budget Responsiveness: Socio-economic Context and impact

The 2016/17 Annual Report quantifies the housing backlog (housing waiting list) at 7 612 housing units. However, only 3 157 informal dwellings are recorded in SA9 for the corresponding period, whilst 3 141 is reported for 2015/16.

Information in Table SA9 must be completed in full. The reported backlogs for housing need to be reconciled between the Annual Report and that reported in the Budget (SA9).

The Annual Report specifies that the housing backlogs will be addressed progressively through a number of programs such as IRDP, UISP, Institutional Subsidy Programme and GAP housing.

Overall, the Municipality has performed in terms of service delivery well as no backlogs is reported for water, refuse, sanitation and electricity.



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# Credibility and Sustainability

The operating revenue increases by 3.8 per cent and the operating expenditure by 6.8 per cent which indicates in real terms in the revenue base decrease with limited scope to increase to increase tariffs beyond current levels.

The growing deficit further indicate the growth in operating expenditure which is well above inflation, outstripping the growth in operating revenue. In addition, the increased cost of water and bulk electricity purchase and other infrastructure demands are placing upward pressure on tariffs and continuous increases thereof outside the parameters of inflation targets are not sustainable. Hence the Municipality needs to embed strategic intent to achieve the outcomes of the strategies as articulated in the approved long term financial plan in order to address financial imbalances, over the long term.

The seemingly low year-on-year increase in revenue is also influenced by fluctuations in the allocation of the Housing grant between operating (top structures) and capital (infrastructure). Furthermore, the budget for 2018/2019 does yield a positive cash flow.



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# Credibility and Sustainability

Trends in population migration and household growth are not included in the budget assumptions and the related impact on the financial resources of the Municipality.

The above mentioned statement has been factored into the budget.

The Municipality budgeted for a 99 per cent collection rate for property rates and service charges; with finalisation of the annual budget, the Municipality should consider to review it (the collection rate) as a prudent measure against the background inflation tariff adjustments. The proposed water tariff increases include the first step (0 – 6 kl) which will increase by 11 per cent and basic levy by 6 per cent; coupled with the VAT increase this could impact on the affordability of the municipal bill.



The collection rate for property rates and service charges has been in excess of 99% for the past 3+ years and presently there are no indicators to suggest otherwise. The 1% increase for the water amounts to a total of R3 p.m. (including VAT), which appears to be affordable. This R3 does not apply to indigent households as the first 6kl of water is free of charge.



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# Credibility and Sustainability

The Municipality further budgeted for a collection rate of 100 per cent for fines and interest earned – outstanding debtors which is not reasonable expected based on historic trends. For the 2016/17 financial year the Municipality impaired 71 per cent of fines which amount to a collection rate of 29 per cent and hence will result in an overstatement of the cash flow.

Please see the impairment of fines amounting to R22,792 million.

The budget implication of the major future events and the required capital outlay, growth potential, service demands on existing infrastructure, water requirements and population growth linked to upcoming developments should be factored into the budget planning.

The above mentioned statement has been factored into the budget.



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# Credibility and Sustainability

The Municipality is self-supporting with no significant reliance (10.1 per cent) on grants and subsidies to fund its daily operations. However, the Municipality needs to review SA25 as the Municipality projected the monthly revenue for this line item to R106.88 million whereas the Main A4-Schedule and supporting Schedule SA18 amount to R130.52 million.

Table SA25 also reflects the amount of R130.52 million – the author of the above paragraph reviewed incorrectly.

Against the backdrop of employee related cost being the main cost driver, it would be recommended depending on the service delivery model that the Municipality weigh the cost benefit of building capacity in-house versus the increasing budget allocation to the outsourcing of certain functions to contractors, when reviewing the employee strategy in the long term financial plan.

Before considering outsourcing service delivery functions, a cost benefit analysis is conducted to evaluate the most appropriate service delivery mechanism.



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# Credibility and Sustainability

Depreciation and asset impairment is projected to increase by 0.1 per cent or R75 000 for 2018/19 budget, although the Municipality is expanding its infrastructure over the MTREF as per Schedule A9. The depreciation constitutes an average of 10.8 per cent the total operating expenditure budget. It recommended that the Municipality review the calculation methodology of depreciation and ensure it is based on an updated asset register and cognisance be taken of current work-in-progress capital that will be commissioned and planned capital expenditure.

It can be confirmed that the calculations are based on the most up-to-date asset registers, namely 2017 audited asset registers, projected for the next 3 years. WIP figures, as presented by the user-departments, were also taken into account. Depreciation on WIP projects to be completed is calculated on an EUL of 50 years as it is the rate for the majority of infrastructure. The increase in WIP depreciation increases by 53% (R496 667) from 2018 to 2019 (R757 953). Similarly, depreciation on WIP worth R47 567 360 in 2019 vs R37 897 649 was calculated in 2018.



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# Credibility and Sustainability

The Municipality are therefore urged when reviewing its existing long term financial plan to optimise the use of external funding versus utilisation of internally generated funding given the severity of the drought, ageing infrastructure and future developments that will require a high capital outlay to absorb the related infrastructure pressures which has a concomitant effect on the municipal bill.

During the annual review of the LTFP consideration is given to the optimal utilization of all funding sources. Long term infrastructure planning from the past has been positive in greatly reducing the effects of the current drought.



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# Credibility and Sustainability

Capital spending funded from internally generated funds amounts to R85.72 million over the MTREF and the Municipality indicated part thereof is proceeds from a recent land sale. However, no determination can be made regarding the affordability and sustainability of this revenue source as the Municipality has not reported on the capital replacement reserves in the Statement of Financial Position or Table A8: Cash Backed Reserves. In view of the current economic outlook, escalation of tariffs, infrastructure demands and fiscal constraints to persist over the MTREF the Municipality should closely monitor the affordability and sustainability of the internally generated funds and as a prudent financial practice ring-fenced proceeds from land sales in a capital replacement reserves to invest in revenue generating assets.

We do not support the principle of taxation in advance of need by creating reserves for infrastructure replacement that tie up cash. Any such reserve would have to be funded from increases tariffs which would place an undue burden on the community. Cash surpluses and proceeds of land sales are managed and released for capital expenditure after they become available.



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# Credibility and Sustainability

The table depicts a positive balance over the MTREF however the Municipality did not provide for the following application of funds:

- Short term portion of provisions e.g. employee benefits;
- Provision for rehabilitation of landfill site; and
- Capital Replacement Reserves.

Short term portions of provisions and rehabilitation of landfill sites are already accounted for against operating expenditure, therefore no need to include in Table A8. We do not support the principle of taxation in advance of need by creating reserves for infrastructure replacement that tie up cash. Any such reserve would have to be funded from increases tariffs which would place an undue burden on the community. Cash surpluses and proceeds of land sales are managed and released for capital expenditure after they become available.



# Credibility and Sustainability

The Municipality needs to adjust the cash flow of fines as the 100 per cent collection rate will overstate the cash position of the Municipality.

Please see the impairment of fines amounting to R22,792 million.

Provincial Treasury restated the A8 as the working capital requirements cannot be negative notwithstanding the Municipality is projecting to realise a cash surplus.

Provincial Treasury should consult with National Treasury if in disagreement with the tables and formulas of the A Schedule.



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# Credibility and Sustainability

The increased cost of water and bulk electricity purchase and other infrastructure demands are placing upward pressure on tariffs and continuous increases outside the parameters of inflation targets are not sustainable. The financial outlook is further exacerbated by the fiscal constraints that will be persist over the MTREF. The following has been considered :

Long term private sector involvement in the operation and maintenance of bulk water services infrastructure; Feasibility of Waste to energy will be investigated; Feasibility of waste water re-use and seawater desalination options will be investigated

Feasibility of long term bulk water augmentation options will be investigated to accommodate growth and development.

Replacement of aging water infrastructure is included in the MTREF

Certain non-core expenditure such as fire fighting is paramount to the safety of citizens. Affordability of services is core in the setting of tariffs. An effective indigent policy enhances effective indigent management.



# Credibility and Sustainability

Repairs and maintenance as a percentage of the asset value of property plant and equipment is below the 8 per cent as recommended by National Treasury. The Municipality are encouraged to implement a formal risk-based maintenance plan in order to identify and prevent repeat or systemic failures.

The municipality has a Maintenance Management Policy to ensure the proper maintenance of the infrastructure assets of the municipality. The water pipe replacement programme expenditure can also be viewed as the maintenance of assets. Budget constraints need to be taken into account.

Operating expenditure outstrips the growth revenue and current economic conditions, Provincial Treasury hereby recommend that the Municipality develop a cost containment policy which align to the draft regulations which will ensure value for money, curbing non-essential activities and wastages.

See your table 4. The budget generates a cash surplus. Cost containment measures referred to in Circular 82 are applied in principle.



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# Finalisation of Budget

The processes and timeframes are contained in the IDP/Budget process plan that was tabled in Council on 30 August 2017. Key dates are listed in pg. 47 – 48 on the budget report.

- **28 March 2018** - Tabling in Council of the draft 2018/19 IDP, SDBIP and 2018/19 MTREF for public consultation;
- **29 March – 30 April 2018** – Draft Budget available to the public and any other stakeholders for perusal and the submission of comments and representations;
- **3-26 April 2018** – Public consultation – Public meetings to be held in all thirteen wards in the municipal area to present the draft budget to the community;
- **30 April 2018** - Closing date for written comments;
- **2 May 2018** – LG MTEC3 engagement;
- **4 May 2018** – BSC considers all comments received and amendments to the Draft Budget;
- **5-17 May 2018** – finalisation of the 2018/19 IDP and 2018/19 MTREF, taking into consideration comments received from the public, comments from NT & PT and updated information from the most recent DoRA and financial framework;
- **5-17 May 2018** – Budget Office compiles final report and schedules;
- **7-17 May 2018** – Final review of budget report and schedules;
- **24 May 2018** – Final budget distribution; and
- **30 May 2018** - Tabling of the 2018/19 MTREF in Council for consideration and approval.

**All budget related documents, tables, policies were submitted to Provincial Treasury**



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# Areas of Support Required

Financial support required for implementation of waste to energy initiatives

Funding support required for infrastructure upgrades and WDM projects

Merging of reporting: MGAP/IPSS/FMCMM etc

Require support for Capacity building Fire, Disaster Management and Security Services

Require support for Budget Infrastructure and equipment

Assistance with Awareness Programs and campaigns

Assistance with Fire Alarm Projects in Informal Settlements.



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# Areas of Support Required

National and Provincial Government more and more allocate functions under the Environmental Sphere to local Municipalities but do not ensure proper delegation of these functions or the funding through Treasury to accompany these functions. For example Coastal Management which includes: Estuary Management, Mammal Strandings, Wildlife Management, Section 30 incidents, environmental pollution incidents, Air Quality administration. Some of the mandated functions, like Air Quality is not funded and then tasks are allocated to officials without the means to implement the functions.

When functions are delegated the funding to accompany this function to ensure competent implementation of the function even if it is by making funding available through District or even EPIP project approvals.

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# Partnering for Development

Overstrand Fire Service have a Service Level Agreement with Overberg District Municipality.

Memorandum of Understanding( Department of Environmental Affairs) payment of Aerial and Ground resources.

Partnership with SASSA providing emergency kits blankets, mattresses, baby formula etc. (not formal).

Partnership with Home Affairs in assisting victims with ID,s that were lost because of an emergency, (not formal).

Partnership with Provincial Government and Chief Fire Committee for assistance when declaring a code red for emergencies (not formal).



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# Partnering for Development

Lease agreement with Overberg District Municipality for OM to build Cell 3 at Karwyderskraal Landfill and to operate it for its lifespan;

Agreement with Theewaterskloof Municipality for them to make use of Cell 3 at Karwyderskraal Landfill;

Contract with Walker Bay Recycling to manage the Hermanus Material Recovery Facility;

Contract with Enviroserv to haul waste from Transfer Stations and Drop Offs to Landfills and for chipping of Garden Waste and haulage to Karwyderskraal Landfill for composting;



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## Partnering for Development

Contract with Enviroserv to operate the Gansbaai Landfill and to manage the Drop Offs of Pearly Beach and Stanford;

Contract with Averda to Operate Cell 3 of the Karwyderskraal Landfill for Overstrand Municipality;

Contract with Veolia Water Solutions for the operation and maintenance of bulk water services infrastructure

Currently the Environmental Section heavily relies on partnerships with Civil Society and NGO's through MOU's and Co-Management Agreements. If this was not implemented the Sections would not have been able to do the job as required of them.



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# mSCOA

Workshops were held with the budget holders to facilitate project based budgeting.

Projects are linked to the strategic objectives in the IDP.

Budgets were captured against all seven segments.

Planning systems and financial systems are not integrated. Integration is often complex or not possible.

mSCOA and GRAP is not 100% aligned.



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# Thank you



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